

CMP: ₹ 460

Target: ₹ 595 (29%)

Target Period: 12 months

BUY

May 8, 2026

## Redefined business model yielding consistent results

**About the stock:** Arvind Fashions Ltd. (AFL) is a multi-brand apparel company. The company operates high value global brands such as US Polo, Tommy Hilfiger, Arrow and Calvin Klein under license agreement while it has its own in-house leading denim brand Flying Machine. The company operates through 1025 Retail outlets with over ~13.3 Lakh sqft store space and also through 9000+ MBOs and departmental stores.

**Q4FY26 Performance:** AFL's revenues grew by 14.8% YoY to Rs.1364.8cr in Q4FY26. Mid-teen revenue growth was driven by 15% growth in retail business (LTL growth of 7.8%) and 46% growth in the online business B2C business. Gross margins improved marginally by 19bps YoY to 54.1%. This along with better channel mix led to 51bps expansion in the EBIDTA margins to 13.9%. Consolidated EBIDTA grew by 19.2% YoY to Rs189.2cr. PAT from continuing operations grew by 56% YoY to Rs42cr vs. Rs25cr in Q4FY25.

### Investment Rationale:

- Revenues to grow by 12-15% in FY27: AFL's revenues grew by 14% YoY to Rs5,266.2cr driven by 14% growth in the retail business (driven by high single digit LTL growth) and Online B2C grew by 45% coupled with strong growth in adjacencies under key brands. Management has guided for 12-15% revenue growth for FY27 driven by sustained retail expansion (to add 1.3-14 lakh sq.ft p.a.), high single digit retail LTL growth and 20-25% growth in online B2C business. On the brand front, premium brands such as US Polo and Tommy Hilfiger are expected to grow in mid-teens while Calvin Klein will maintain double digit growth. Flying Machine has witnessed good recovery in FY26 and expected to deliver double digit LTL growth on its retail platform. Arrow to witness recovery in FY27.
- EBIDTA margins to expand by 30-40bps in FY27: AFL's EBIDTA margins improved by 35bps YoY to 13.4% in FY26. Its gross margins improved by 90bps YoY due to better mix, strong sourcing capabilities and higher sales of low discount products. Despite global uncertainties and volatility in the raw material prices, management expects EBIDTA margins to grow by 30-40bps in FY27. Advance inventory procurement for SS26, higher dependence on domestic sourcing, selective price hikes and increase in the contribution from D2C channel will help the company to mitigate with near term cost pressure and achieve consistent margin expansion in FY27.
- Redefined business model driving desire results: AFL transformed its business into profitable and efficient business model by rationalising its product portfolio to 5 marque brands, increased focus on scaling up direct-to-consumer sales and strengthening balance sheet by better working capital management. Transformation is delivering desire results 1) registering high single digit to low double digit LTL retail growth for last six quarters 2) High margin D2C business (Retail + Online B2C) contribution increased from 50% in FY24 to 56% in FY26 expected to further improve to 60% over the next two-three years 3) Revenue growth trajectory improved from mid-single digit in FY24 to mid-teens in FY26 and 4) RoCE improved to 26% in FY26 from 19% in FY24.

**Rating and Target Price:** Premiumisation and D2C play will help AFL revenues/EBIDTA/PAT to grow by 14%/18%/38% respectively. **We recommend Buy with a price target of Rs.595 (valuing at 9x its FY28E EV/EBIDTA).**

### Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	FY26	3 year CAGR (FY23-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Revenues	4069.5	4259.1	4619.8	5266.2	9.0	6079.7	6883.8	14.3
EBIDTA	423.0	510.6	601.8	704.6	18.5	843.8	987.3	18.4
EBIDTA Margins(%)	10.4	12.0	13.0	13.4	13.9	14.3		
Adjusted PAT	109.3	112.8	34.2	200.0	22.3	286.1	381.4	38.1
EPS (Rs.)	8.2	8.5	2.6	15.0	21.4	28.5		
PE (x)	56.4	54.6	180.1	30.9	21.6	16.2		
EV to EBIDTA (x)	17.0	14.0	11.9	10.6	8.5	6.9		
Price to book (x)	6.7	6.1	6.4	6.5	5.5	4.6		
RoE (%)	4.4	8.4	-3.6	12.9	19.3	21.4		
RoCE (%)	18.0	19.1	22.4	26.0	31.0	34.4		

Source: Company, ICICI Direct Research

ARVIND FASHIONS

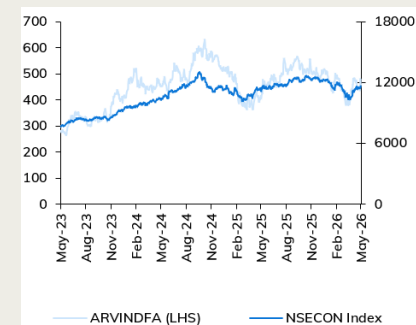
### Particulars

Particular	Amount
Market Capitalisation (₹ crore)	6,158
Debt (FY26) - ₹ crore	1,336
Cash (FY26) - ₹ crore	64
EV (Rs crore)	7,430
52 week H/L (₹)	579 / 366
Equity capital (₹ crore)	53.5
Face value (₹)	4.0

### Shareholding pattern

	Jun-25	Sep-25	Dec-25	Mar-26
Promoters	35.1	35.1	35.1	35.1
FII	9.4	11.9	12.1	12.0
DII	23.6	22.8	23.2	24.6
Others	31.9	30.1	29.6	28.3

### Price Chart



### Key risks

- Inability to renew license agreement of brands can impact operations of the business
- Delay in adaptation to latest consumer trends can lead to missed opportunities.

### Research Analyst

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## Q4FY26 Key Performance Highlights

- AFL's consolidated revenues reported 14.8% YoY growth to Rs.1364.8cr driven by steady growth across direct channels. Driven by sharp execution, Retail channel reported 14.8% YoY growth with LTL growth of 7.8% while online B2C business reported 46% YoY growth during the quarter.
- Gross margins reported 19bps YoY improvement to 54.1%. This coupled with improvement in channel mix (higher share of online B2C) led to 51bps YoY expansion in EBITDA margins to 13.9% in Q4FY26. EBITDA reported 19.2% YoY growth to Rs.189.1cr.
- PAT from continuing operations (before Code on Wages impact & exceptional Direct tax adjustment of Rs120cr in Q4 FY25) grew by 56% YoY to Rs.42cr compared to Rs.25cr in Q4FY25. Reported PAT stood at Rs.47cr in Q4FY26 vs. the loss of Rs.93.1cr in Q4FY25.
- On Channel wise performance, Retail channel reported 14.8% YoY growth to Rs.573cr led by steady LTL. Online B2C segment reported 46% YoY growth to Rs.191cr. Wholesale business witnessed 11.4% YoY growth to Rs.437cr in Q4FY26.

### Exhibit 1: Q4FY26 consolidated result overview (₹ crore)

Particulars	Q4FY26	Q4FY25	y-o-y (%)	Q3FY26	q-o-q (%)
<b>Net revenue</b>	<b>1364.8</b>	<b>1189.1</b>	<b>14.8</b>	<b>1376.6</b>	<b>-0.9</b>
Raw Material cost	626.8	548.4	14.3	613.4	2.2
Employee cost	82.0	69.4	18.2	81.9	0.2
Other expenditure	466.8	412.5	13.2	486.5	-4.0
Total expenditure	1175.7	1030.4	14.1	1181.8	-0.5
<b>EBITDA</b>	<b>189.1</b>	<b>158.7</b>	<b>19.2</b>	<b>194.8</b>	<b>-3.0</b>
Other income	7.3	11.3	-35.2	5.9	24.6
Interest expenses	44.9	38.8	15.7	43.4	3.6
Depreciation	75.1	64.8	15.8	74.8	0.3
<b>Profit Before Tax</b>	<b>76.4</b>	<b>66.4</b>	<b>15.2</b>	<b>82.5</b>	<b>-7.4</b>
Tax	13.4	138.5	-90.3	27.3	-
<b>Adjusted PAT</b>	<b>63.1</b>	<b>-72.2</b>	<b>-</b>	<b>55.2</b>	<b>14.1</b>
Share of Associates	19.4	20.7	-	10.5	-
<b>Adjusted PAT after share of associates</b>	<b>43.7</b>	<b>-92.8</b>	<b>-</b>	<b>44.7</b>	<b>-2.3</b>
Extra-ordinary gain / loss	3.7	0.0	-	-18.9	-
Discontinued Business	-0.4	-0.3	-	-0.3	-
<b>Reported PAT</b>	<b>47.0</b>	<b>-93.1</b>	<b>-</b>	<b>25.6</b>	<b>83.7</b>
<b>Adjusted EPS (Rs.)</b>	<b>3.3</b>	<b>-7.0</b>	<b>-</b>	<b>3.4</b>	<b>-2.6</b>
<b>Margins</b>	<b>Q4FY26</b>	<b>Q4FY25</b>	<b>bps</b>	<b>Q3FY26</b>	<b>bps</b>
GPM (%)	54.1	53.9	19	55.4	-137
EBITDA Margin (%)	13.9	13.3	51	14.2	-30
NPM (%)	4.6	-6.1	-	4.0	61
Tax rate (%)	17.5	208.8	-	33.1	-1557

Source: Company, ICICI Direct Research

## FY26 Key Performance Highlights

- Consolidated revenues reported 14% YoY growth to Rs.5266.2cr. Growth was driven by steady growth in direct channels. Retail channel reported 13.4% YoY growth driven by high-single digit LTL growth of 8.1% in FY26. Online B2C channel grew by 43% YoY in FY26.
- Lower discounting in H1FY26 and improvement in channel mix in H2FY27 aided 90bps YoY expansion in gross profits to 54.4%. Brand building and marketing initiatives continued during the year while some profits were reinvested for the same. As a result, EBITDA margins marginally improved by 35bps YoY to 13.4% in FY26.

- PAT from continuing operations (before Code on Wages impact & exceptional Direct tax adjustment of Rs120cr) grew by 62% YoY to Rs.139cr vs Rs.85cr in FY25. Reported PAT (adjusted for exceptional items) stood at Rs.122.6cr vs loss of Rs.35.5cr in FY25.
- Higher share of direct channels led to higher inventory days of 96 days in FY26 vs 93 days in FY25. This also led to increased inventory freshness. Overall Net working capital days continued to be stable at 52 days. Inventory turns stood at 3.8x in FY26.
- Continued improvement in profitability is aiding further expansion in RoCE. ROCE for FY26 stood at 26% vs 22% in FY25.

## Q4FY26 Conference Call Highlights

- **Demand environment remains stable; Revenues to grow in mid-teens in FY27 led by sharper retail LTL and D2C acceleration and network expansion**
  - The management highlighted that the demand environment remains stable with improving traction across channels aided by investments in brands, people and retail execution. Retail LTL growth stood at 7.8% in Q4FY26 and 8.1% for FY26, reflecting consistent consumer demand trends across the portfolio.
  - The company entered FY27 with confidence and guided for sustaining mid-double-digit revenue. Management expects growth to be driven through retail expansion, D2C acceleration, premiumisation and category expansion initiatives.
  - Revenue growth guidance is expected to be supported by 7-8% like-for-like growth while the remaining growth would come from store additions, store upsizing and network expansion. The company plans to add ~1.3-1.4 lakh net sq.ft. retail area during FY27.
- **AFL aspires to move gross margins towards high 50s over the long term; In near term prudent discounting, improved mix and strategic inventory positioning to help margin expansion**
  - Gross margin improvement is expected to be driven through better full-price sell-throughs, premiumisation, analytics-led pricing, reduction in discounting and operating leverage benefits from higher D2C mix. Management reiterated its long-term aspiration of moving towards high-50s gross margins over the next few years.
  - Management acknowledged near-term risks from raw material inflation, forex volatility and geopolitical disruptions. However, mitigation measures including advance inventory procurement for SS26, deeper India sourcing, selective price hikes and tighter cost controls are already underway to protect profitability.
  - Overall, the management highlighted that higher gross margins coupled with prudent cost saving measures will help the company achieve 30-40bps EBITDA margin expansion in FY27.
- **US continues its strong growth trajectory; Flying Machine reports strong recovery; PVH and Arrow were impacted due to GST related issues and one-time model change**
  - U.S. Polo continued to remain the standout performer with strongest growth across the portfolio aided by product innovation, superior product-market fit, wider retail reach and healthy traction across channels. The management remains bullish on the brand's long-term growth trajectory supported by further offline expansion and stronger digital presence.
  - Flying Machine delivered strong double-digit retail LTL growth and ~70% B2C growth during the quarter. The brand has been

repositioned as an on-trend youth-focused unisex denim brand targeting Gen Z consumers. The brand has witnessed strong traction driven by sharper positioning, improved distribution across retail and online channels, tighter product assortment and stronger consumer connect initiatives.

- PVH brands (Tommy Hilfiger and Calvin Klein) witnessed temporary disruption due to GST slab changes during the quarter. However, the impact was transitory and both brands have already returned to double-digit growth trajectory supported by premiumisation trends and strong consumer demand.
  - Arrow's performance remained subdued during the quarter due to a one-time model transition and weaker wedding season demand. The management stated that the issues are temporary in nature and not structural. The company is revamping Arrow's merchandising grid, simplifying assortments and reworking store formats to better cater to the modern professional and workwear segment.
  - All five brands continue to have meaningful headroom for growth through sharper positioning, improved merchandising, stronger consumer engagement and higher marketing investments.
- **Adjacent categories continue to witness accelerated growth; Focus to scale across men's category, footwear and expansion of Strides stores**
    - Adjacent categories including footwear and innerwear continued to scale well with the segment now contributing 24% of overall business and growing at ~25% YoY and is expected to be key growth driver ahead.
    - U.S. Polo remains the largest contributor within adjacencies due to its scale and successful category extensions. PVH brands are also witnessing healthy traction in adjacent categories.
    - Management indicated that apart from strengthening leadership in core menswear categories such as shirts, polos, denim, T-shirts and blazers, the company will continue to aggressively scale footwear, innerwear and over time womenswear as well.
    - Footwear remains an important focus area with growth being driven through U.S. Polo footwear stores and the Stride format. The company currently operates 19 Stride stores while online continues to remain a key channel for footwear growth.
- **West Asia war and its potential impact on the business**
    - The management on the call highlighted that the situation remains unclear. Multiple industries continued to witness shortages w.r.t natural gas which is a key raw material for the industry.
    - AFL is witnessing impact of depreciation of rupee and pressure on select raw materials, shipping and capex.
    - The management expects that any further escalation for longer period can lead to higher inflation leading to impact on consumption.
    - Soaring raw material prices, further depreciation of rupee and shortages in capex and raw materials can have impact on profitability.
    - The company has already laid out a clear mitigation plan for the same. The scale of the business continued to partially offset the inflationary pressure, For Summer Season 2026, the company has been able to mitigate price increase as inventory build-up was done

before the start of war, For Autumn Winter 2026, the company is monitoring the prices and creating hedge to mitigate the same. Also, its major sourcing remains in India and expects to further strengthen the same.

- The company intends to double down on its cost control efficiencies and implement selective price increase to aid growth.

## Brand wise Highlights

- **US Polo:** Sharp retail execution, marketing spends have helped the brand retain its strong growth momentum. Consistent growth across channels was witnessed while LTL growth also remained robust. Direct channels continued to grow at >30% with revenue share increasing in the portfolio. Adjacent categories continued to outperform and remained significant growth driver for the brand. Focused retail expansion continued with large sq ft stores to increase penetration in the channel.
- **Arrow:** Arrow has witnessed strong direct channel performance with online B2C channel reporting 50%+ growth. Marketing initiatives continued during the quarter to ensure better visibility of the refreshed brand portfolio. Product innovation continued to be key driver of the journey of the brand. The company remains focused on accelerating the EBO expansion of the brand.
- **Flying Machine:** Healthy growth has been witnessed in the brand driven by double-digit LTL performance across retail and departmental stores. Online B2C channel expanded to other online channels leading to 50%+ growth. Overall, direct channels are well-positioned and expected to grow and witness accelerated scale-up ahead. The brand is expected to witness improved financial performance driven by steady revenues and operating performance over the upcoming quarters.
- **Tommy Hilfiger:** The brand continued to deliver strong financial performance driven by double-digit LTL growth and continued premiumization of the portfolio. The company continues to focus on expanding retail and online presence for the brand.
- **Calvin Klein:** The brand delivered steady operating performance driven by direct channel which was aided by timely season launch and stable LTL growth. The brand continues to witness industry leading sell-thru driven by sustained growth in premiumization.

## Revision in earnings estimates

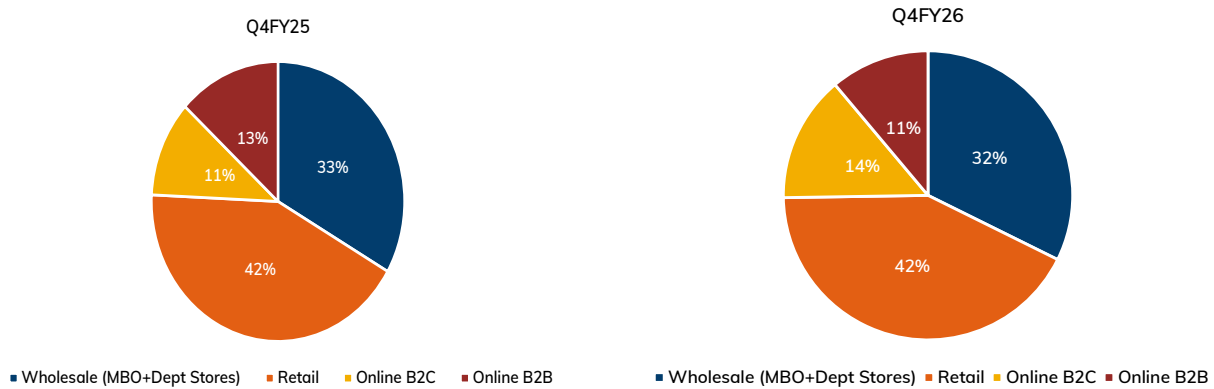
We have broadly maintained our earnings estimates for FY27E and FY28E. Management has guided for mid-teen revenue growth and 30-40bps expansion in the EBIDTA margins in FY27E.

### Exhibit 2: Key Operating Assumptions

₹ crore)	FY27E			FY28E		
	Old	New	% Chg	Old	New	% Chg
Net Revenues	5907.5	6079.7	2.9	6641.3	6883.8	3.7
EBIDTA	850.3	843.8	-0.8	990.5	987.3	-0.3
PAT	197.1	198.9	0.9	257.3	263.2	2.3
EPS (Rs.)	14.8	14.9	0.9	19.3	19.7	2.3

Source: Company, ICICI Direct Research

Exhibit 3: Improving share of Retail and Online B2C business



Source: Company, ICICI Direct Research

Exhibit 4: Key Assumptions (₹ crore)

Particulars	FY24	FY25	FY26	FY27E	FY28E
<b>Retail Business</b>					
Retail Area (in msf)	1.1	1.2	1.3	1.5	1.6
Additions (in msf)		0.12	0.14	0.13	0.10
Retail Business Revenues (In	1788.8	1940.3	2211.8	2654.3	3002.3
Growth (%)		8.5%	14.0%	20.0%	13.1%
Contribution to Sales (%)	42.0%	42.0%	42.0%	43.7%	43.6%
<b>Wholesale Business</b>					
Wholesale Business Revenue:	1320.3	1339.8	1527.2	1623.3	1755.1
Growth (%)		1.5%	14.0%	6.3%	8.1%
Contribution to Sales (%)	31.0%	29.0%	29.0%	26.7%	25.5%
<b>Online Business</b>					
Online Business Revenues (In	1149.9	1340.1	1527.2	1802.1	2126.5
Growth (%)		16.5%	14.0%	18.0%	18.0%
Contribution to Sales (%)	27.0%	29.0%	29.0%	29.6%	30.9%
<b>Total Revenues</b>	<b>4259.1</b>	<b>4619.8</b>	<b>5266.2</b>	<b>6079.7</b>	<b>6883.8</b>

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 5: Profit and loss statement		₹ crore				
(Year-end March)	FY24	FY25	FY26	FY27E	FY28E	
Total Operating Income	4259.1	4619.8	5266.2	6079.7	6883.8	
Growth (%)	4.7	8.5	14.0	15.4	13.2	
Raw material cost	2037.1	2149.5	2402.5	2766.3	3104.6	
Employee Expenses	260.1	268.9	321.8	353.9	396.4	
Other Expenditure	1451.4	1599.7	1837.4	2115.7	2395.6	
Total Operating Expenditure	3748.6	4018.0	4561.6	5235.9	5896.6	
<b>EBITDA</b>	<b>510.6</b>	<b>601.8</b>	<b>704.6</b>	<b>843.8</b>	<b>987.3</b>	
Growth (%)	20.7	17.9	17.1	19.8	17.0	
Interest	144.2	155.8	170.5	161.9	143.7	
Depreciation	230.1	255.7	289.7	313.1	340.0	
Other Income	33.7	34.6	40.8	40.0	41.3	
<b>PBT</b>	<b>170.0</b>	<b>224.9</b>	<b>285.2</b>	<b>408.8</b>	<b>544.9</b>	
Less Tax	57.3	190.7	85.2	122.6	163.5	
<b>Adjusted PAT</b>	<b>112.8</b>	<b>34.2</b>	<b>200.0</b>	<b>286.1</b>	<b>381.4</b>	
Growth (%)	3.2	-69.7	484.9	43.0	33.3	
Minority Interest	56.47	68.55	61.09	87.271	118.24	
<b>Adjusted PAT (after minority interest)</b>	<b>56.3</b>	<b>-34.3</b>	<b>138.9</b>	<b>198.9</b>	<b>263.2</b>	
Exceptional item	-6	0	-15	0	0	
Discontinued Business	31	-1	-1	0	0	
<b>Reported PAT</b>	<b>80.7</b>	<b>-35.7</b>	<b>122.6</b>	<b>198.9</b>	<b>263.2</b>	
Growth (%)	-	-144.3	-	62.2	32.3	
EPS (Adjusted)	4.2	-2.6	10.4	14.9	19.7	

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement		₹ crore				
(Year-end March)	FY24	FY25	FY26	FY27E	FY28E	
Profit/(Loss) after taxation	79.0	-0.4	159.2	246.1	340.2	
Add: Depreciation & Amort.	230.1	255.7	289.7	313.1	340.0	
Other income	33.7	34.6	40.8	40.0	41.3	
Changes in the working capital	-25.3	-9.0	-231.3	81.0	-110.8	
<b>CF from Operating activities</b>	<b>317.6</b>	<b>280.9</b>	<b>258.4</b>	<b>680.2</b>	<b>610.6</b>	
(Purchase)/Sale of Fixed Assets	-262.9	-366.9	-362.6	-162.0	-162.0	
Investments	0.0	0.0	0.0	0.0	0.0	
Bank balance	7.2	1.5	0.8	-186.9	-75.0	
Others	8.1	151.0	14.9	-17.7	-18.6	
<b>CF from Investing activities</b>	<b>-247.7</b>	<b>-214.4</b>	<b>-347.0</b>	<b>-366.6</b>	<b>-255.6</b>	
(inc)/Dec in Loan	-82.5	-6.3	192.6	-217.7	-141.8	
Change in equity & reserves	4.0	-40.8	-182.6	-87.3	-118.2	
Dividend paid	-16.6	-21.3	-21.4	-26.7	-33.3	
Other	0.0	0.0	0.0	0.0	0.0	
<b>CF from Financing activities</b>	<b>-95.1</b>	<b>-68.4</b>	<b>-11.4</b>	<b>-331.6</b>	<b>-293.4</b>	
Net Cash Flow	-25.2	-1.8	-100.0	-18.0	61.6	
<b>Cash and Cash Equivalent (opening)</b>	<b>177.8</b>	<b>152.6</b>	<b>150.8</b>	<b>50.8</b>	<b>32.8</b>	
<b>Cash</b>	<b>152.6</b>	<b>150.8</b>	<b>50.8</b>	<b>32.8</b>	<b>94.4</b>	
<b>Free Cash Flow</b>	<b>54.7</b>	<b>-86.0</b>	<b>-104.2</b>	<b>518.2</b>	<b>448.6</b>	

Source: Company, ICICI Direct Research

Exhibit 7: Balance Sheet		₹ crore				
(Year-end March)	FY24	FY25	FY26	FY27E	FY28E	
Equity Capital	53.2	53.3	53.5	53.5	53.5	
Reserve and Surplus	950.1	903.8	890.2	1062.4	1292.2	
<b>Total Shareholders funds</b>	<b>1003.3</b>	<b>957.1</b>	<b>943.6</b>	<b>1115.8</b>	<b>1345.7</b>	
Minority Interest	189.1	207.4	216.9	216.9	216.9	
Total Debt	1330.9	1356.4	1538.7	1309.2	1154.3	
Other Non Current Liabilities	16.3	20.1	28.0	30.8	33.9	
<b>Total Liabilities</b>	<b>2539.6</b>	<b>2541.1</b>	<b>2727.3</b>	<b>2672.7</b>	<b>2750.8</b>	
Gross Block - Fixed Assets	1220.2	1373.1	1730.2	1886.0	2048.0	
Accumulated Depreciation	471.0	513.2	802.9	1116.0	1456.0	
Net Block	749.3	859.9	927.3	770.0	592.1	
Capital WIP	1.5	1.1	3.9	10.0	10.0	
Fixed Assets	750.7	861.0	931.1	780.0	602.1	
Goodwill & Other intangible assets	149.2	150.1	152.9	152.9	152.9	
Other non-Current Assets	519.9	368.8	354.0	371.7	390.3	
Inventory	909.4	1080.1	1389.6	1321.1	1509.4	
Debtors	646.8	729.4	751.6	808.2	923.4	
Other Current Assets	461.9	453.2	572.3	589.5	607.2	
Loans & Advances	1.2	1.6	0.4	0.5	0.5	
Cash	152.6	150.8	50.8	32.8	94.4	
Bank balance	15.4	13.9	13.1	200.0	275.0	
Total Current Assets	2187.2	2428.9	2777.8	2952.1	3410.0	
Creditors	936.3	1172.0	1387.1	1476.5	1687.0	
Provisions	7.5	7.8	11.1	8.0	8.0	
Other Current Liabilities	123.6	88.0	90.4	99.4	109.4	
Total Current Liabilities	1067.4	1267.7	1488.5	1583.9	1804.4	
Net Current Assets	1119.8	1161.2	1289.3	1368.1	1605.6	
<b>Application of Funds</b>	<b>2539.6</b>	<b>2541.1</b>	<b>2727.3</b>	<b>2672.7</b>	<b>2750.8</b>	

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios						
(Year-end March)	FY24	FY25	FY26	FY27E	FY28E	
<b>Per share data (₹)</b>						
Adjusted EPS	8.5	2.6	15.0	21.4	28.5	
Cash EPS	25.8	21.7	36.6	44.8	54.0	
BV per share	75.4	71.8	70.6	83.5	100.7	
Dividend per share	1.25	1.6	1.6	2	2.5	
<b>Operating Ratios (%)</b>						
Operating EBITDA margins (%)	12.0	13.0	13.4	13.9	14.3	
PAT Margins	1.9	-0.8	2.3	3.3	3.8	
<b>Return Ratios (%)</b>						
RoE	8.4	-3.6	12.9	19.3	21.4	
RoCE	19.1	22.4	26.0	31.0	34.4	
RoIC	12.6	15.5	16.6	22.6	27.8	
<b>Valuation Ratios (x)</b>						
P/E	54.6	180.1	30.9	21.6	16.2	
EV / EBITDA	14.0	11.9	10.6	8.5	6.9	
EV / Sales	1.7	1.5	1.4	1.2	1.0	
Market Cap / Sales	1.4	1.3	1.2	1.0	0.9	
Price to Book Value	6.1	6.4	6.5	5.5	4.6	
<b>Solvency Ratios (x)</b>						
Net Debt / EBITDA	1.9	1.6	1.8	1.2	0.7	
Debt / Equity	1.0	1.0	1.2	0.9	0.7	

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%

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