


Result Update @ Dalal & Broacha
ACCUMULATE

Current Price	584
Target Price	630
% Upside	8%
52 Week Range	587/400

Bata Q1FY18 Results

Revenues (net of excise) increased 11% YoY to Rs 7360.6mn
 EBIDTA rose 12.2% YoY to Rs 955.5mn
 EBIDTA margins stood at 13% vs 12.8%

Key Share Data

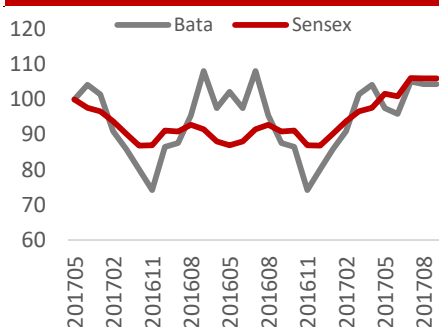
Market Cap (Rs.bn)	75.04
Market Cap (US\$ mn)	1153
No of o/s shares (mn)	128.5
Face Value	5.0
Monthly Avg. vol(BSE+NSE) Nos'000	423
BSE Code	500043
NSE Code	BATAINDIA
Bloomberg	BATA IN

As % to Revenues [Raw Materials stood at 47.7% vs 48.5% (supported by value added products and change in product mix)
 Rent 12.9% vs 12.6% of Revenue] YOY

Other Income increased by 45% YoY at Rs 115.8mn

PBT was up by 21% YOY to Rs 925mn

Tax Rate stood at 34.7% v/s 33.8% YOY

Price performance


PAT increased by 19.7% YoY to Rs 604mn

Other KTA's

- 40 new stores opened
- SSS growth stood at 10% / Retail turnover (i.e. ~85% Sales) growth stood at 15%
- Nationwide launch of Bata Insolia range of comfortable heels for women / Brand Espadrilles also launched
- Grand Fashion Event in India (first time)
- New TVC started reaching modern Indian women/ led to rise in footfalls
- Sandeep Kataria joins as new Country Manager/ Experience: chief commercial officer in Vodafone, Regional Sales manager to Global Brand Director in Unilever and from Chief Marketing Officer to Chief Executive Officer in Yum! Brands.

% Shareholding

	Jun-17	Mar-17
Promoters	52.96	52.96
Institutions	30.63	28.08
Others	16.41	18.96
Total	100.0	100.0

Valuations @ Rs.583:

33.6x FY18 E EPS of Rs.17.4 and 27.8x FY19E EPS of Rs 21.

We maintain Accumulate for Long term

Key Financials (Rs Mns)

Year	Net Sales	%growth	EBIDTA	OPM%	PAT	%growth	EPS	PE(x)	RoE%	RoCE%
FY16	24,227.1	(10.1)	2,706.0	11.2%	1,462.2	(26.8)	11.4	51.3	12.0	16.1
FY17	24,742.6	2.1	2,785.8	11.3%	1,729.6	18.3	13.5	43.4	13.1	16.1
FY18E	28,121.7	13.7	3,670.0	13.1%	2,236.4	29.3	17.4	33.6	15.3	19.7
FY19E	31,523.8	12.1	4,483.7	14.2%	2,695.7	20.5	21.0	27.8	16.5	21.8



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Particulars (Rs Mns)	Q1FY18	Q1FY17	Growth
Gross Sales			
Less: Excise Duty			
% Excise			
Net Sales	7360.58	6631.31	11.0%
Other Operating Income			
Total Operating Income	7360.58	6631.31	11.0%
Other Income	115.83	79.93	44.9%
TOTAL INCOME	7476.41	6711.24	11.4%
Cost of Materials Consumed	-814.01	-766.75	6.2%
Purchase of Stock in Trade	-2676.58	-2080.3	28.7%
Changes in Inventories	-17.15	-371.22	-95.4%
Employee Cost	-740.61	-660.87	12.1%
Rent	-948.42	-838.84	13.1%
Other Expenses	-1208.33	-1062.08	13.8%
EXPENDITURE	-6405.1	-5780.06	10.8%
EBIDTA	1071.31	931.18	15.0%
EBIDTA (Excl O. Income)	955.48	851.25	12.2%
Less: Depreciation	-137.42	-162.12	-15.2%
PBIT	933.89	769.06	21.4%
Less: Interest Cost	-8.93	-6.71	33.1%
PBT (Before Exceptional)	924.96	762.35	21.3%
Exceptional			
PBT (Post Exceptional)	924.96	762.35	21.3%
Tax	-320.64	-257.38	24.6%
PAT (Reported)	604.32	504.97	19.7%
PAT (Adjusted)	604.32	504.97	19.7%
Other Comprehensive Income	-3.52	-2	
Total Comprehensive Income	600.8	502.97	
Equity	642.64	642.64	0.0%
FV	5	5	
EPS (On reported PAT)	4.70	3.93	19.7%
EPS (on adjusted PAT)	4.70	3.93	19.7%
OPM	13.0%	12.8%	
NPM (Reported PAT)	8.1%	7.5%	
Tax Rate	-34.7%	-33.8%	
% of Total Operating Income			
Cost of Materials Consumed	-11.1%	-11.6%	
Purchase of Stock in Trade	-36.4%	-31.4%	
Changes in Inventories	-0.2%	-5.6%	
RAW MATERIALS	-47.7%	-48.5%	
Employee Cost	-10.1%	-10.0%	
Rent	-12.9%	-12.6%	
Other Expenses	-16.4%	-16.0%	
+ EXPENDITURE	-87.0%	-87.2%	



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