



DALAL & BROACHA
STOCK BROKING PVT. LTD.

Analyst: Kunal Bhatia (022) 67141442

Result Update @ Dalal & Broacha

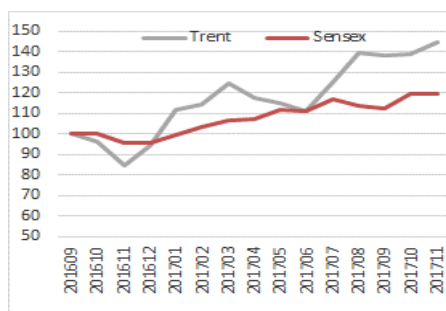
ACCUMULATE

Current Price	310
52 Week Range	Rs 328.9/176.8

Key Share Data

Market Cap (Rs.bn)	103
Market Cap (US\$ mn)	1559
No of o/s shares (mn)	332
Face Value	1
Monthly Avg. vol(BSE+NSE) Nos	121676
BSE Code	500251
NSE Code	TRENT
Bloomberg	TRENT IN

Price performance



% Shareholding	Sept-17	Jun-17
Promoters	32.61	32.61
Institutions	38.46	38.66
Others	28.93	28.73
Total	100.0	100.0

Financials (Consolidated)

Year	Net Sales	% Growth	EBIDTA	OPM%	PAT	% Growth	EPS	PE (x)	ROE%	ROCE%
FY16	15,893.3	-30.4%	927.8	5.8%	483.2	-14.5%	1.5	213.2	3.3	3.5
FY17	18,339.2	15.4%	1,257.0	6.9%	852.4	76.4%	2.6	120.9	5.5	4.6
FY18E	21,727.2	18.5%	1,885.2	8.7%	1,200.3	41%	3.6	85.8	7.4	7.5
FY19 E	25,976.2	19.6%	2,668.2	10.3%	1,760.6	47%	5.3	58.5	10.0	10.6
FY20 E	30,979.9	19.3%	3,834.1	12.4%	2,742.7	56%	8.3	37.6	13.7	14.5

Consolidated Financials (Rs Mns) (All no.s as per IND AS from FY16)

Trent Q2FY18 Standalone Results better than expectations Same Store Sales grow by 10% YoY and EBIDTA grows by 99%

Operating Revenues for Q2FY18 increased by 19% YoY to Rs 5220.8mn (Like-to-Like Westside growth stood at 10% YoY, only Westside income excluding landmark grew by 23% YoY to ~Rs 5132.3mn)

Q2FY18 EBIDTA increased by 99% YoY at Rs 493.6mn and EBIDTA Margins stood at 9.5% vs 5.6% aided by savings on all costs as follows:

As % to Operating Revenues:

Raw Materials stood at 48% as against 48.5% YoY. This quarter generally has EOSS sales in July and despite that company has shown improvement.

Other Expenses stood at 20.4% vs 23.6% YoY

Rental 12.3% vs 13.1% (Trent added 7 stores YTD in FY18 to 114 total till date). As the scale and same store sales growth continues we believe this expenses to reduce further and aid margins.

Other Income for Q2FY18 declined by 50% YoY at Rs 116.81mn, however interest cost was down 19% YoY to Rs 76.4mn

Q2FY18 Tax Rate stood at 33% v/s 29% YoY

Q2FY18 PAT registered 38% YoY to Rs 290mn.

H1FY18 EPS stood at 2.02 v/s 1.34 YoY

Valuations on "Consolidated" basis @ Rs 310: 85.8x FY18eEPS Rs 3.6 and 58.5x FY19eEPS Rs 5.3 and 37.6x FY20e EPS of Rs 8.3.

Going forward:

Management in the AGM has mentioned that opportunity existed for Trent to grow the overall top line at a CAGR of 20%-25%. Management mentioned that food sector in India is Rs 23lakh crore market which presents a huge growth opportunity to all the organized players. Though the valuation looks expensive, we believe that the opportunity in food and grocery is huge and "STAR" probably has got the store size right now and could turn profitable in the next couple of years. **We maintain Accumulate for long term.**



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Particulars (Rs Mns)

	Q2FY17	Q2FY18	Growth	H1FY17	H1FY18	Growth
Net Sales	4394.72	5220.78	19%	8346.54	10162.47	22%
Other Operating Income						
TOTAL Operating income	4394.72	5220.78	19%	8346.54	10162.47	22%
Raw Material Consumed				0.00	0.00	
Stock Adjustment	-592.03	-85.75	-86%	-575.80	11.01	-102%
Purchase of Finished Goods	2721.80	2590.20	-5%	4486.01	4687.34	4%
Total Raw Material Cost	2129.8	2504.5	18%	3910.2	4698.4	20%
Employee Expenses	404.50	515.54	27%	790.34	990.52	25%
Rent and Other Operating Lease	573.81	640.05	12%	1089.00	1297.92	19%
Other Expenses	1039.08	1067.15	3%	1954.70	2097.29	7%
TOTAL EXPENDITURE	4147.2	4727.2	14%	7744.3	9084.1	17%
EBITDA	247.6	493.6	99%	602.3	1078.4	79%
Depreciation	90.50	101.02	12%	176.03	200.98	14%
Interest	93.78	76.38	-19%	186.43	159.97	-14%
Other Income	234.30	116.81	-50%	377.86	277.07	-27%
PBT Before Exceptional Items	297.6	433.0	46%	617.7	994.5	61%
Exceptional Items	0.00			0.00	0.00	
PBT	297.6	433.0	46%	617.7	994.5	61%
Tax	86.90	142.90	64%	174.00	322.90	86%
Tax Rate	29%	33%		28%	32%	
Reported Profit After Tax	210.68	290.1	38%	443.7	671.6	51%
Adjusted Profit After Extra-ordinary item	210.7	290.1	38%	443.7	671.6	51%
Other Comprehensive Income	-2.09	-12.47	498%	-0.46	-8.87	1828%
Total Comprehensive Income	208.594	277.620	33%	443.212	662.737	
Equity	332.32	332.32	0%	332.32	332.32	0%
Face Value	1.00	1.00	0%	1.00	1.00	0%
EPS (Unit Curr.) (on adjusted PAT)	0.63	0.87	38%	1.34	2.02	51%
OPM	5.6%	9.5%		7.2%	10.6%	
NPM	5%	5%		5%	6%	
% to Operating Income						
Total Raw Material Cost	48.5%	48.0%		46.8%	46.2%	
Employee Expenses	9.2%	9.9%		9.5%	9.7%	
Rent and Other Op Lease	13.1%	12.3%		13.0%	12.8%	
Selling & Administrative Expenses	0.0%	0.0%		0.0%	0.0%	
Other Expenses	23.6%	20.4%		23.4%	20.6%	
TOTAL EXPENDITURE	94.4%	90.5%		92.8%	89.4%	



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Contact	Email ID	Contact No.	Sector
Mr. Kunal Bhatia	kunal.bhatia@dalal-broacha.com	022 67141442	Auto, Auto Ancillary, FMCG
Ms.Charulata Gaidhani	charulata.gaidhani@dalal-broacha.com	022 67141446	Pharma /Healthcare
Mr. Avinash Kumar	avinash.kumar@dalal-broacha.com	022 67141441	Capital Goods
Mr Mayank Babla	Mayank.babla@dalal-broacha.com	02267141444	IT/Telecom/Media
Ms. Richa.Singh	richa.singh@dalal-broacha.com	022 67141444	Auto



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Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021 Tel: 91-22- 2282 2992, 2287 6173, (D) 6630
8667 Fax: 91-22-2287 0092
E-mail: research@dalalbroachaindia.com, equity.research@dalal-broacha.com