



DALAL & BROACHA
STOCK BROKING PVT. LTD.

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Result Update @ Dalal & Broacha

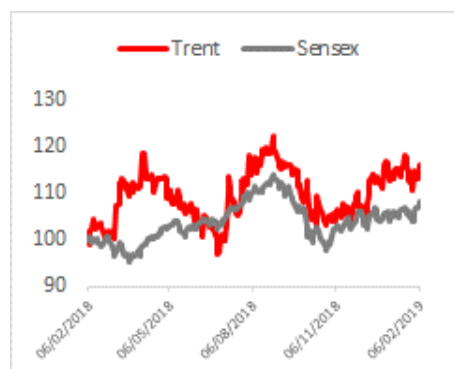
ACCUMULATE

Current Price	354
52 Week Range	Rs 392/295

Key Share Data

Market Cap (Rs.bn)	117.64
Market Cap (US\$ mn)	1645.1
No of o/s shares (mn)	332
Face Value	1
Monthly Avg. vol(BSE+NSE) Nos	
BSE Code	500251
NSE Code	TRENT
Bloomberg	TRENT IN

Price performance



% Shareholding

	Dec-18	Sept-18
Promoters	32.61	32.61
Institutions	38.67	38.67
Others	28.72	28.72
Total	100.0	100.0

Trent Q3FY19 Standalone Results

- **Results below expectations on EBIDTA levels, as higher store openings in Zudio and Westside led to rise in employee cost and other costs.**
- **Store additions remain aggressive**

• Revenues for Q3FY19 increased by 26% YoY to Rs 6564.7mn (also includes Zudio since Oct-2017)
(Like-to-Like Westside increased by 12% for Q3FY19 v/s base of 6% YoY
Westside overall revenues increased by 17% YoY for 9MFY19 {actual figure NA}
Base year 9MFY18 Westside had grown +22%)

Stores YTD: Westside 144 (FY18 ended with 125 stores) / Zudio 28 standalone YTD (FY18 end standalone 7 stores and 15 in Star Bazaar total Zudios 25)
Stores under fitment stage ~13 for Westside and ~19 in Zudio that would be added in the next few months, which was one of the main reason for Employee cost to rise by 30% in Q3FY19 and +23.8% in 9MFY19

Raw Material to Revenue @ 47% v/s 43.4% YoY for Q3FY19 and 47.3% v/s 45.3% YoY for 9MFY19:

- 1) 2% price cut taken by the company visible at billing; in-order to pass on GST input tax credit benefits to the customers and to avoid any anti profiteering issues.
- 2) The company has also taken some general price cuts across brands which has in-fact led to higher volumes.

• **As % to Revenue:** Other. Expenses stood at 19.4% as against 21.2% YoY.
Rentals stood at 12.6% as against 12.6% (Stores as on date 144 v/s 114 Q3FY18)

• **EBIDTA** rose by 6% YoY to Rs 726mn. EBIDTA Margins stood at 11.1% as against 13.2% last year.

- Other Income for Q3FY19 increased by 117% YoY to Rs 94.19mn
- Interest cost rose by 24% YoY to Rs 88mn
- PBT (before exceptional) increased by 11% YoY to Rs 616.4mn
- Tax Rate stood at 34.7% v/s 32%
- PAT increased by 6% YoY at Rs 403mn

Valuations on "Consolidated" basis @ Rs 354: 57x FY20eEPS Rs 6.2 and 37.6x FY21e EPS of Rs 9.4.

On EV/EBIDTA basis the stock trades at 35x and 26x respectively.
Maintain Accumulate for long term

Year	Net Sales	% Growth	EBIDTA	OPM%	PAT	% Growth	EPS	PE (x)	ROE%	ROCE%
FY17	18,124.4	14.0%	1,257.0	6.9%	589.5	22.0%	1.8	199.6	3.8	4.6
FY18	21,574.6	19.0%	2,011.9	9.3%	870.4	48%	2.6	135.2	5.5	7.8
FY19E	26,514.5	22.9%	2,497.1	9.4%	1,353.9	56%	4.1	86.9	8.0	8.3
FY20E	32,442.0	22.4%	3,425.9	10.6%	2,053.7	52%	6.2	57.3	11.1	11.9
FY21E	39,458.3	21.6%	4,573.8	11.6%	3,131.6	52%	9.4	37.6	14.8	15.4

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



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Particulars (Rs Mns)

	Q3FY18	Q3FY19	Growth	9MFY18	9MFY19	Growth
Net Sales	5213.23	6564.74	26%	15375.70	18630.02	21.2%
Other Operating Income				0.00	0.00	
TOTAL Operating income	5213.23	6564.74	26%	15375.70	18630.02	21.2%
Total Expenditure	4527.1	5838.8	29%	13611.2	16602.4	22.0%
Raw Material Consumed				0.00	0.00	
Stock Adjustment	-79.60	-733.21	821%	-68.58	-895.79	1206.1%
Purchase of Finished Goods	2340.96	3816.39	63%	7028.30	9704.60	38.1%
Total Raw Material Cost	2261.4	3083.2	36%	6959.7	8808.8	26.6%
Employee Expenses	502.83	654.51	30%	1493.34	1849.28	23.8%
Rent and Other Operating Lease	657.73	825.45	26%	1955.65	2338.12	19.6%
Other Expenses	1105.17	1275.62	15%	3202.47	3606.16	12.6%
TOTAL EXPENDITURE	4527.1	5838.8	29%	13611.2	16602.4	22.0%
EBITDA	686.1	726.0	6%	1764.5	2027.7	14.9%
Depreciation	105.01	115.73	10%	305.99	329.24	7.6%
Interest	70.87	88.04	24%	230.84	264.88	14.7%
PBIT	510.27	522.20	2%	1227.70	1433.54	16.8%
Other Income	43.41	94.19	117%	320.48	274.83	-14.2%
PBT Before Exceptional Items	553.67	616.40	11%	1548.2	1708.4	10.3%
Exceptional Items				0.00	0.00	
PBT	553.7	616.4	11%	1548.2	1708.4	10.3%
Tax	174.70	213.60	22%	497.60	592.90	19.2%
Tax Rate	32%	34.7%	10%	32%	35%	
Reported Profit After Tax	379.0	402.80	6%	1050.6	1115.5	6.2%
Extra-ordinary Items						
Adjusted Profit After Extra-ordinary item and Excl Inc from Discountinued Operations	379.0	402.8	6%	1050.58	1115.47	6.2%
Equity	332.32	332.32	0%	332.32	332.32	0.0%
Face Value	1.00	1.00	0%	1.00	1.00	0.0%
EPS (Unit Curr.) (on adjusted PAT)	1.14	1.21	6%	3.16	3.36	6.2%
OPM	13.2%	11.1%		11.5%	10.9%	
NPM	7%	6%		6.7%	5.9%	
% to Operating Income						
Total Raw Material Cost	43.4%	47.0%		45.3%	47.3%	
Employee Expenses	9.6%	10.0%		9.7%	9.9%	
Rent and Other Op Lease	12.6%	12.6%		12.7%	12.6%	
Other Expenses	21.2%	19.4%		20.8%	19.4%	
TOTAL EXPENDITURE	86.8%	88.9%		88.5%	89.1%	



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