

## RESULT UPDATE

## KEY DATA

|                                         |                    |
|-----------------------------------------|--------------------|
| <b>Rating</b>                           | <b>HOLD</b>        |
| <b>Sector relative</b>                  | <b>Neutral</b>     |
| <b>Price (INR)</b>                      | <b>4,627</b>       |
| <b>12 month price target (INR)</b>      | <b>5,189</b>       |
| <b>52 Week High/Low</b>                 | <b>7,493/4,488</b> |
| <b>Market cap (INR bn/USD bn)</b>       | <b>1,645/18.5</b>  |
| <b>Free float (%)</b>                   | <b>91.7</b>        |
| <b>Avg. daily value traded (INR mn)</b> | <b>4,849.3</b>     |

## SHAREHOLDING PATTERN

|          | Sep-25 | Jun-25 | Mar-25 |
|----------|--------|--------|--------|
| Promoter | 37.01% | 37.01% | 37.01% |
| FII      | 16.81% | 18.39% | 19.65% |
| DII      | 19.84% | 18.42% | 17.02% |
| Pledge   | 0%     | 0%     | 0%     |

## FINANCIALS

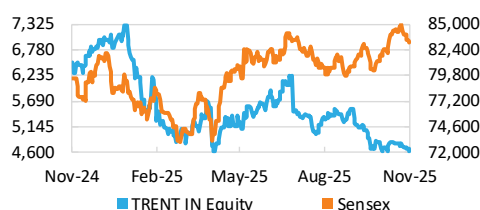
(INR mn)

| Year to March      | FY25A    | FY26E    | FY27E    | FY28E    |
|--------------------|----------|----------|----------|----------|
| Revenue            | 1,71,346 | 2,01,233 | 2,63,993 | 3,36,754 |
| EBITDA             | 27,585   | 33,467   | 46,034   | 60,424   |
| Adjusted profit    | 15,467   | 18,558   | 24,266   | 32,907   |
| Diluted EPS (INR)  | 43.5     | 52.2     | 68.3     | 92.6     |
| EPS growth (%)     | 45.8     | 20.0     | 30.8     | 35.6     |
| RoAE (%)           | 32.5     | 29.3     | 29.2     | 29.9     |
| P/E (x)            | 106.3    | 88.6     | 67.7     | 50.0     |
| EV/EBITDA (x)      | 55.8     | 45.8     | 33.2     | 25.1     |
| Dividend yield (%) | 0.1      | 0.1      | 0.1      | 0.1      |

## CHANGE IN ESTIMATES

|                   | Revised estimates |          | % Revision |       |
|-------------------|-------------------|----------|------------|-------|
| Year to March     | FY26E             | FY27E    | FY26E      | FY27E |
| Revenue           | 2,01,233          | 2,63,993 | -3.6%      | -3.0% |
| EBITDA            | 33,467            | 46,034   | -4.1%      | -3.1% |
| Adjusted profit   | 18,558            | 24,266   | -9.5%      | -9.8% |
| Diluted EPS (INR) | 52.2              | 68.3     | -9.5%      | -9.8% |

## PRICE PERFORMANCE



## Cost management rescues SSSG dip

Trent delivered standalone revenue/EBITDA/pre-Ind AS EBITDA/PAT growth of 17%/27%/16%/6% YoY in Q2FY26. The growth momentum moderated owing to an expanding mix of tier-2 and new stores, which have a higher gestation period than the existing network. Profitability was pressured by slower productivity, but benefited from significant cost optimisation. Star Bazaar's revenue decreased 2% YoY impacted by ongoing store upgrades.

We are tweaking revenue/EBITDA/PAT estimate for FY26 by -3.6%/-4.1%/-9.5% and for FY27 by -3%/-3.1%/-9.8%. This along with a valuation rollover to H1FY28E yields a revised TP of INR5,189 (earlier INR5,850); maintain 'HOLD'.

## Growth momentum slows down; profitability impacted

Trent's standalone revenue growth came in at 17% YoY. Its fashion portfolio registered low single-digit LFL growth. Inventory turns (on COGS) continued to be at a healthy 4.99x in Q2FY26. Gross margin dipped 88bp YoY, likely influenced by an increasing contribution from Zudio. Trent clarifies that gross margin profiles of Westside and Zudio remain consistent. Employee expenses were flat YoY, which is quite surprising considering the 32% network expansion YoY; management attributed the same to tech investments over the past few years, which has helped it reduce manpower at stores. Overall, operating EBITDA (as disclosed in presentation) was up 16% YoY; management emphasised on referring to operating EBITDA to account for the volatility in occupancy cost due to Ind AS 116 adjustments. Operating EBITDA margin for Q2FY26 was 12.2% (12.3% for Q2FY25), impacted on account of lower productivity. PAT grew 6.5% YoY to INR4.5bn. Star format's revenue fell 2.1% YoY, impacted by multiple store closures in Q2FY26 due to upgradation. Emerging categories of beauty and personal care, innerwear and footwear now contribute 21% to the company's revenue. In Q2FY26, online revenue increased 56%, representing more than 6% of Westside's total revenue.

## Store network expansion; youth-focused brand launched

As of this quarter, Trent's portfolio comprised 261 Westside, 806 Zudio, and 34 stores in other lifestyle concepts. In Q2FY26, it added 19 Westside (highest-ever in a quarter) and 44 Zudio stores (including one in UAE) while consolidating six Westside and four Zudio stores. Management emphasised on opening more stores in upcoming areas, which might have longer gestation vis-a-vis existing store network. The company launched a youth-focused fashion brand "Burnt Toast" in Q2FY26.

## Financials

| Year to March     | Q2FY26 | Q2FY25 | % Change | Q1FY26 | % Change |
|-------------------|--------|--------|----------|--------|----------|
| Net Revenue       | 48,177 | 41,567 | 15.9     | 48,835 | (1.3)    |
| EBITDA            | 8,171  | 6,430  | 27.1     | 8,479  | (3.6)    |
| Adjusted Profit   | 3,769  | 3,387  | 11.3     | 4,297  | (12.3)   |
| Diluted EPS (INR) | 10.6   | 9.5    | 11.3     | 12.1   | (12.3)   |

## Financial Statements

### Income Statement (INR mn)

| Year to March          | FY25A    | FY26E    | FY27E    | FY28E    |
|------------------------|----------|----------|----------|----------|
| Total operating income | 1,71,346 | 2,01,233 | 2,63,993 | 3,36,754 |
| Gross profit           | 74,455   | 85,915   | 1,13,114 | 1,44,682 |
| Employee costs         | 13,085   | 13,616   | 17,638   | 22,459   |
| Other expenses         | 33,786   | 38,832   | 49,442   | 61,800   |
| EBITDA                 | 27,585   | 33,467   | 46,034   | 60,424   |
| Depreciation           | 8,952    | 12,684   | 17,093   | 21,274   |
| Less: Interest expense | 1,386    | 1,717    | 2,199    | 2,693    |
| Add: Other income      | 2,186    | 2,719    | 2,719    | 2,719    |
| Profit before tax      | 20,297   | 23,669   | 31,288   | 42,350   |
| Prov for tax           | 4,953    | 5,446    | 7,365    | 9,794    |
| Less: Other adj        | 0        | 0        | 0        | 0        |
| Reported profit        | 15,467   | 18,558   | 24,266   | 32,907   |
| Less: Excp.item (net)  | 0        | 0        | 0        | 0        |
| Adjusted profit        | 15,467   | 18,558   | 24,266   | 32,907   |
| Diluted shares o/s     | 355      | 355      | 355      | 355      |
| Adjusted diluted EPS   | 43.5     | 52.2     | 68.3     | 92.6     |
| DPS (INR)              | 5.0      | 3.6      | 4.6      | 5.6      |
| Tax rate (%)           | 24.4     | 23.0     | 23.5     | 23.1     |

### Important Ratios (%)

| Year to March          | FY25A | FY26E | FY27E   | FY28E   |
|------------------------|-------|-------|---------|---------|
| Westside Store Count   | 248.0 | 273.0 | 311.0   | 344.0   |
| Zudio Store Count      | 718.0 | 948.0 | 1,178.0 | 1,428.0 |
| Star Store count       | 85.0  | 90.0  | 95.0    | 100.0   |
| EBITDA margin (%)      | 16.1  | 16.6  | 17.4    | 17.9    |
| Net profit margin (%)  | 9.0   | 9.2   | 9.2     | 9.8     |
| Revenue growth (% YoY) | 38.5  | 17.4  | 31.2    | 27.6    |
| EBITDA growth (% YoY)  | 43.5  | 21.3  | 37.6    | 31.3    |
| Adj. profit growth (%) | 45.8  | 20.0  | 30.8    | 35.6    |

### Assumptions (%)

| Year to March     | FY25A    | FY26E    | FY27E    | FY28E    |
|-------------------|----------|----------|----------|----------|
| GDP (YoY %)       | 6.5      | 6.3      | 6.3      | 6.3      |
| Repo rate (%)     | 6.5      | 5.3      | 5.3      | 5.3      |
| USD/INR (average) | 85.0     | 85.0     | 85.0     | 85.0     |
| Capex (INR mn)    | 10,919.0 | 11,525.0 | 11,870.7 | 11,985.1 |
|                   |          |          |          |          |
|                   |          |          |          |          |
|                   |          |          |          |          |
|                   |          |          |          |          |

### Valuation Metrics

| Year to March      | FY25A | FY26E | FY27E | FY28E |
|--------------------|-------|-------|-------|-------|
| Diluted P/E (x)    | 106.3 | 88.6  | 67.7  | 50.0  |
| Price/BV (x)       | 30.1  | 22.9  | 17.4  | 13.1  |
| EV/EBITDA (x)      | 55.8  | 45.8  | 33.2  | 25.1  |
| Dividend yield (%) | 0.1   | 0.1   | 0.1   | 0.1   |

Source: Company and Nuvama estimates

### Balance Sheet (INR mn)

| Year to March        | FY25A  | FY26E    | FY27E    | FY28E    |
|----------------------|--------|----------|----------|----------|
| Share capital        | 355    | 355      | 355      | 355      |
| Reserves             | 54,262 | 71,541   | 94,171   | 1,25,088 |
| Shareholders funds   | 54,617 | 71,896   | 94,527   | 1,25,444 |
| Minority interest    | 1,216  | 880      | 536      | 185      |
| Borrowings           | 4,992  | 4,992    | 4,992    | 4,992    |
| Trade payables       | 9,282  | 10,129   | 13,253   | 16,871   |
| Other liabs & prov   | 4,463  | 4,463    | 5,771    | 7,286    |
| Total liabilities    | 94,196 | 1,22,163 | 1,58,684 | 2,00,009 |
| Net block            | 20,682 | 30,468   | 39,976   | 48,855   |
| Intangible assets    | 733    | 781      | 766      | 747      |
| Capital WIP          | 1,795  | 1,795    | 1,795    | 1,795    |
| Total fixed assets   | 23,210 | 33,044   | 42,536   | 51,397   |
| Non current inv      | 8,724  | 8,067    | 9,894    | 13,067   |
| Cash/cash equivalent | 3,398  | 7,260    | 12,715   | 24,859   |
| Sundry debtors       | 630    | 852      | 1,123    | 1,437    |
| Loans & advances     | 180    | 180      | 180      | 180      |
| Other assets         | 32,962 | 37,400   | 47,050   | 58,241   |
| Total assets         | 94,196 | 1,22,163 | 1,58,684 | 2,00,009 |

### Free Cash Flow (INR mn)

| Year to March         | FY25A    | FY26E    | FY27E    | FY28E    |
|-----------------------|----------|----------|----------|----------|
| Reported profit       | 20,297   | 23,669   | 31,288   | 42,350   |
| Add: Depreciation     | 8,952    | 12,684   | 17,093   | 21,274   |
| Interest (net of tax) | 1,386    | 1,717    | 2,199    | 2,693    |
| Others                | (3,408)  | 0        | 0        | 0        |
| Less: Changes in WC   | (5,677)  | (3,870)  | (5,490)  | (6,371)  |
| Operating cash flow   | 16,609   | 28,754   | 37,724   | 50,151   |
| Less: Capex           | (12,682) | (13,292) | (13,456) | (13,915) |
| Free cash flow        | 3,927    | 15,461   | 24,268   | 36,236   |

### Key Ratios

| Year to March         | FY25A | FY26E | FY27E | FY28E |
|-----------------------|-------|-------|-------|-------|
| RoE (%)               | 32.5  | 29.3  | 29.2  | 29.9  |
| RoCE (%)              | 39.0  | 33.9  | 35.6  | 36.3  |
| Inventory days        | 68    | 70    | 67    | 68    |
| Receivable days       | 2     | 1     | 1     | 1     |
| Payable days          | 32    | 31    | 28    | 29    |
| Working cap (% sales) | 11.4  | 11.6  | 10.9  | 10.5  |
| Gross debt/equity (x) | 0.1   | 0.1   | 0.1   | 0     |
| Net debt/equity (x)   | 0     | 0     | (0.1) | (0.2) |
| Interest coverage (x) | 13.4  | 12.1  | 13.2  | 14.5  |

### Valuation Drivers

| Year to March     | FY25A | FY26E | FY27E | FY28E |
|-------------------|-------|-------|-------|-------|
| EPS growth (%)    | 45.8  | 20.0  | 30.8  | 35.6  |
| RoE (%)           | 32.5  | 29.3  | 29.2  | 29.9  |
| EBITDA growth (%) | 43.5  | 21.3  | 37.6  | 31.3  |
| Payout ratio (%)  | 11.5  | 6.9   | 6.7   | 6.0   |

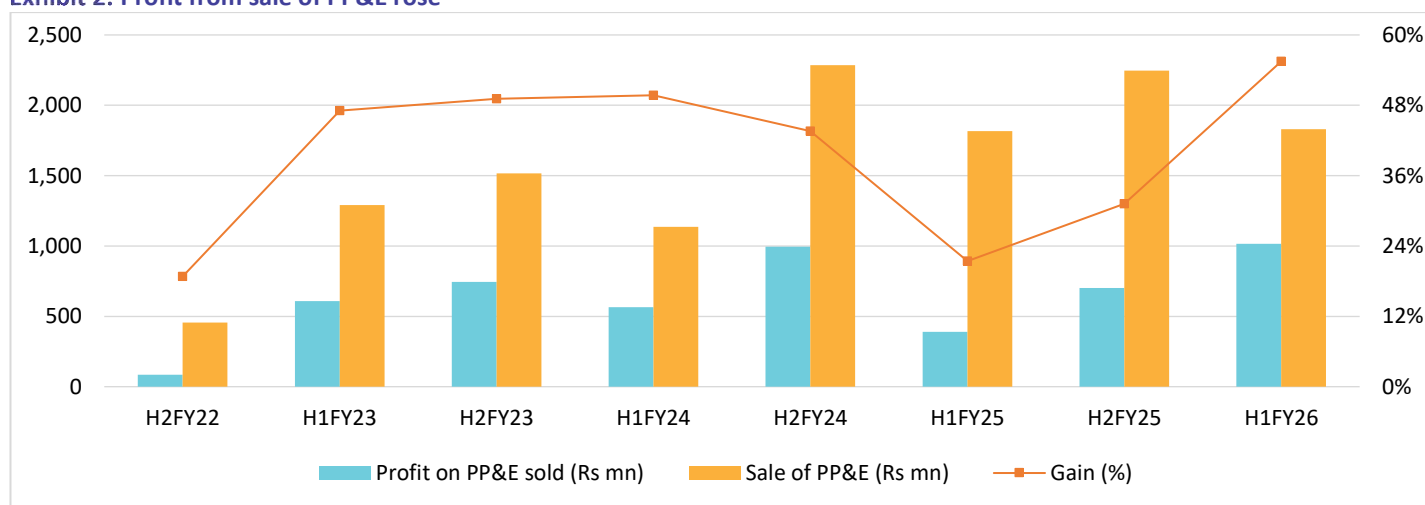
**Exhibit 1: Store count summary (Fashion portfolio)**

|          | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Westside | 223    | 227    | 232    | 228    | 226    | 238    | 248    | 248    | 261    |
| Zudio    | 411    | 460    | 545    | 559    | 577    | 635    | 765    | 766    | 806    |
| Total    | 634    | 687    | 777    | 787    | 803    | 873    | 1013   | 1014   | 1067   |

Source: Company, Nuvama Research

Other Income was boosted significantly by a *Profit from the sale of Property, Plant, and Equipment (PP&E)*, which contributed INR1,015mn in the first half (H1), and an additional *Profit from the sale of Investments* (INR156mn in H1). Notably, the sales of PP&E totalled INR1,829mn in H1, suggesting a 55% gain on the sale of assets. This level of yield is consistent with trends observed in H1FY24 and earlier periods. Given that SSSG is currently under pressure, such high yields are particularly encouraging.

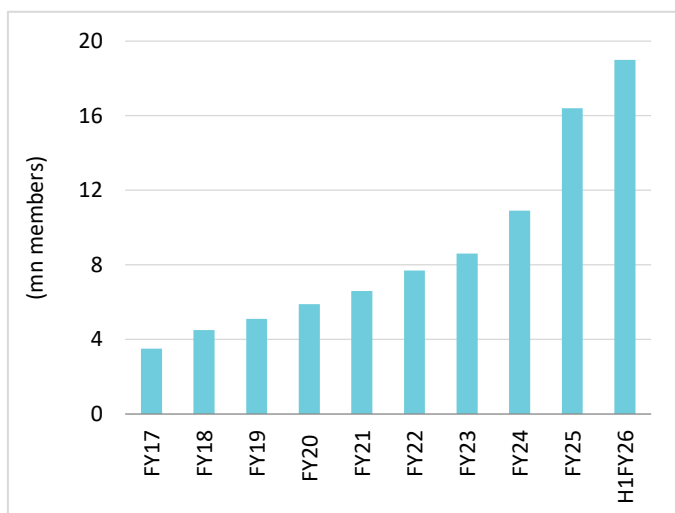
**Exhibit 2: Profit from sale of PP&E rose**



Source: Company, Nuvama Research

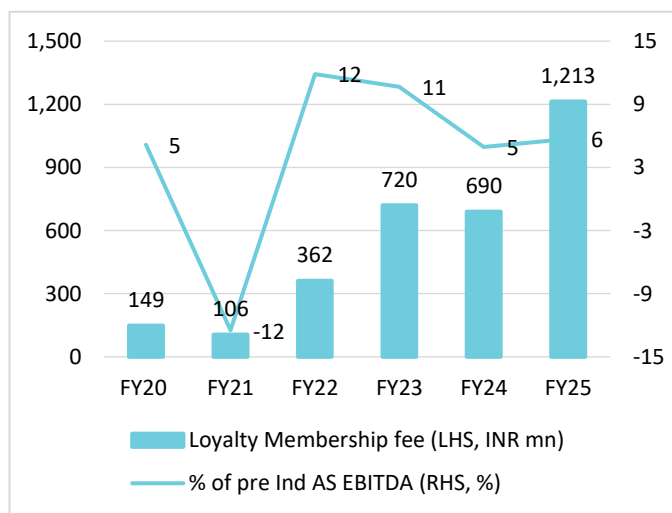
The Weststyle Club has exceeded 19mn members following an increase of 2.6mn. This metric is crucial because an estimated 80% of Westside's revenue is generated by these loyalty members. The current membership total reflects a robust 24% CAGR over the past 5.5 years, growing from 5.9mn members in FY20.

**Exhibit 3: WestStyle Club members**



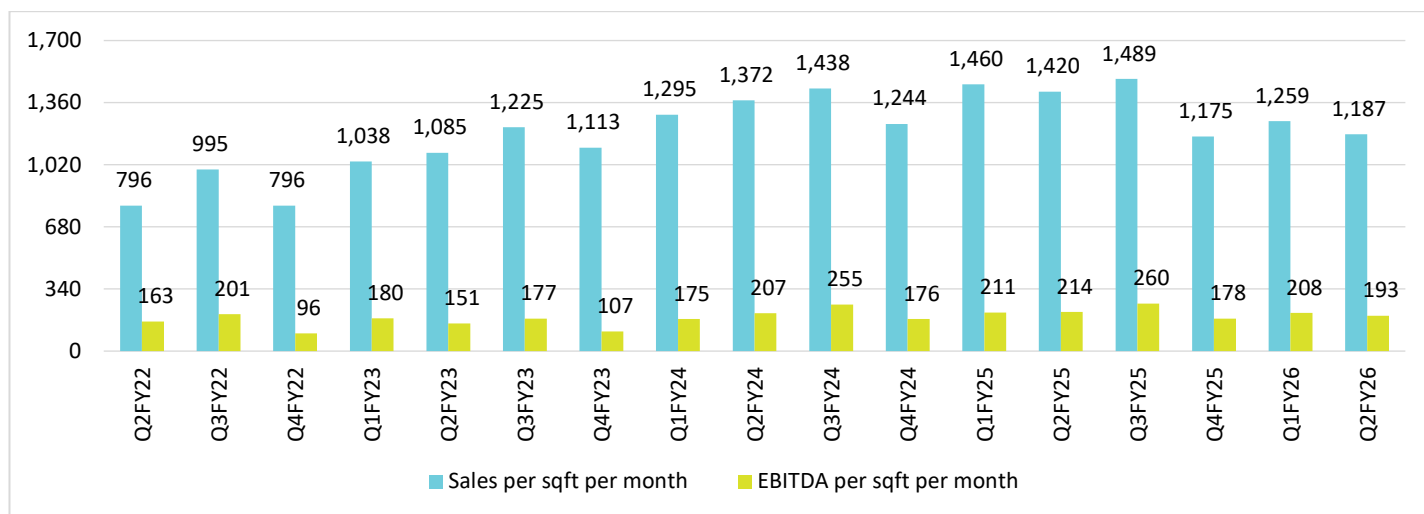
Source: Company, Nuvama Research

**Exhibit 4: Loyalty members fee trends**



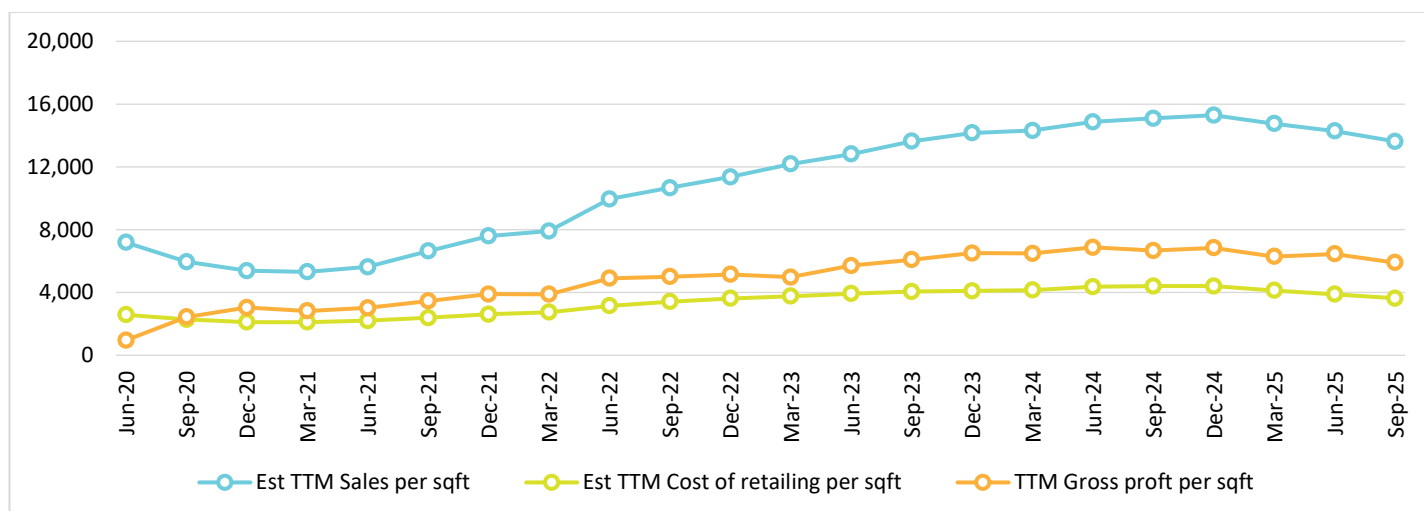
Source: Company, Nuvama Research

**Exhibit 5: Estimated sales and EBITDA per square foot per month trend for Trent**



Source: Company, Nuvama Research

**Exhibit 6: Dissecting cost per square foot shows contraction YoY**

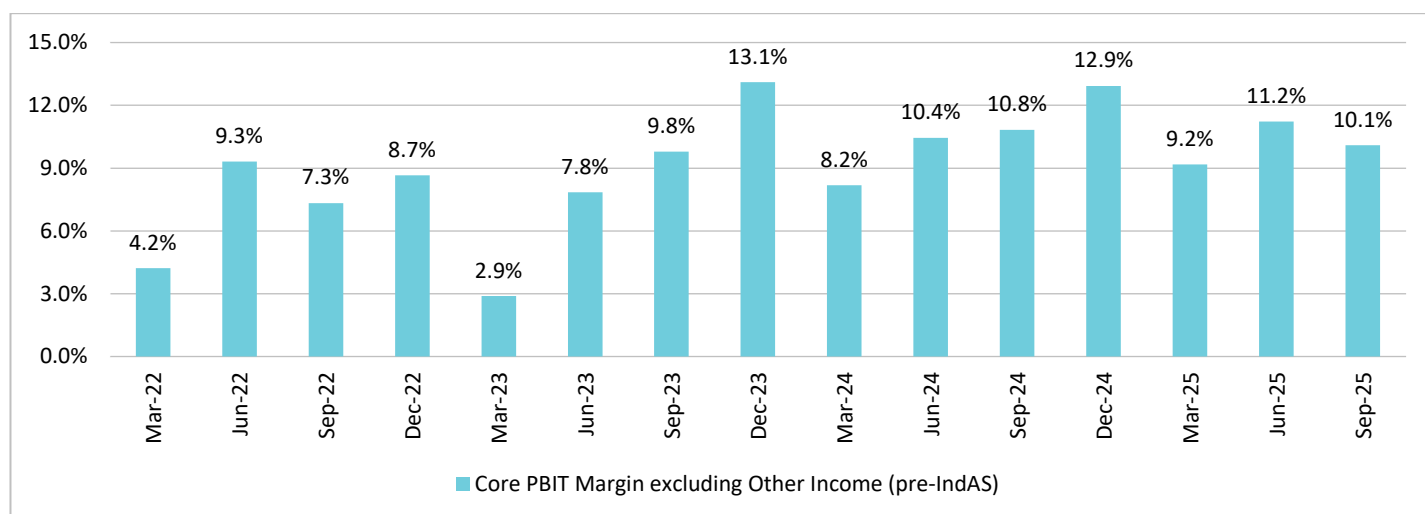


Source: Company, Nuvama Research

We are prioritising Operating EBITDA margin (reported at 12.2% in presentation) to bypass the difficulty in interpreting pre-Ind AS leases. The mere 10bp YoY drop in the operating EBITDA margin is notable, especially since the company managed to reduce employee cost by 100bp YoY. This implies that other components of the Cost of Retailing (excluding employee expenses) collectively rose by just 20bp YoY.

The EBIT margin fell by 80bp, reflecting the combined impact of negative leverage and low SSSG. Depreciation accounted for the majority of this decline, contributing 70bp to the drop.

**Exhibit 7: Core PBIT margin excluding other income (pre-Ind AS) contracts on lower productivity**



Source: Company, Nuvama Research

In the Star portfolio, growth has been showing signs of exhaustion as LFL growth came down. All categories excluding Fresh suffered in Q2FY26. This will also be a function of base catching up and increasing competitive intensity in the space from legacy as well as the new-age Quick commerce players.

**Exhibit 8: Star product KPIs**

|                        | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue (INR bn)       | 7.57   | 7.35   | 8.15   | 8.98   | 9.47   | 8.57   | 8.69   | 8.79   |
| %YoY                   | 26.4   | 30.1   | 29.0   | 26.5   | 25.1   | 16.6   | 6.6    | -2.1   |
| LFL growth (%)         | 24.0   | 24.0   | 22.0   | 14.0   | 10.0   | 2.0    | 0.0    | NA     |
| Stores                 | 67     | 66     | 72     | 74     | 74     | 78     | 77     | 77     |
| Category mix (%)       |        |        |        |        |        |        |        |        |
| GM&A                   | 34.0   | 31.0   | 34.0   | 32.0   | 35.0   | 31.0   | 32.0   | 30.0   |
| Staples                | 26.0   | 26.0   | 23.0   | 26.0   | 26.0   | 27.0   | 25.0   | 27.0   |
| FMCG                   | 26.0   | 27.0   | 25.0   | 24.0   | 23.0   | 24.0   | 24.0   | 24.0   |
| Fresh                  | 14.0   | 16.0   | 18.0   | 18.0   | 16.0   | 18.0   | 19.0   | 19.0   |
| Own brand share        | 69.0   | 69.0   | 72.0   | 73.0   | 74.0   | 72.0   | 73.0   | 73.0   |
| YoY revenue growth (%) |        |        |        |        |        |        |        |        |
| GM&A                   | 6.0    | 17.1   | 15.1   | 26.8   | 49.2   | 3.6    | 2.4    | -13.0  |
| Staples                | 26.4   | 30.1   | 29.0   | 26.8   | 25.1   | 21.1   | 15.9   | 1.6    |
| FMCG                   | 38.6   | 30.1   | 32.9   | 26.8   | 14.1   | 16.6   | 0.4    | -8.2   |
| Fresh                  | 47.4   | 60.1   | 54.7   | 26.8   | 7.2    | 31.2   | 12.5   | 16.2   |
| Own brands             | 53.0   | 49.6   | 47.4   | 40.3   | 3.3    | 21.7   | 8.1    | -2.1   |

Source: Company, Nuvama Research

Trent's board has approved tending 94,900 equity shared held in Inditex Trent Retail India Private Limited (ITRIPL, a 34.94% associate company of Trent Ltd) at a price of INR15,421.85 per share. After this, Trent's stake in ITRIPL will reduce to 20%.

A similar transaction had taken place in Aug-24 as well when Trent had sold 140,000 units at INR7,506.

## Exhibit 9: Trent's valuation summary

| INR mn                              | Methodology | Factor  | Value    | Ownership | TTM Sep'27 Valuation | Value per share (Rs) |
|-------------------------------------|-------------|---------|----------|-----------|----------------------|----------------------|
| Standalone                          | 65 x P/E    | Adj PAT | 25,562   |           | 16,61,554            | 4,674                |
| Star Bazaar                         | 65 x P/E    |         | 3,66,365 | 50.0%     | 1,83,183             | 515                  |
| <b>Valuation of Equity (INR mn)</b> |             |         |          |           | <b>18,44,737</b>     |                      |
| Number of Shares Outstanding (mn)   |             |         |          |           | 355                  |                      |
| <b>Fair Value (INR)</b>             |             |         |          |           | <b>5,189</b>         |                      |
| CMP (INR)                           |             |         |          |           | 4,624                |                      |
| <b>Upside</b>                       |             |         |          |           | <b>12.2%</b>         |                      |

Source: Company, Nuvama Research

## Exhibit 10: Quarterly summary – Standalone business

| Standalone (Rs. mn)           | Q2FY26 | Q2FY25 | YoY (%) | Q1FY26 | QoQ (%) | H1FY26 | H1FY25 | YoY (%) |
|-------------------------------|--------|--------|---------|--------|---------|--------|--------|---------|
| Net Sales                     | 47,241 | 40,356 | 17      | 47,813 | (1)     | 95,053 | 80,273 | 18      |
| <b>Operating Expenses:</b>    |        |        |         |        |         |        |        |         |
| COGS                          | 26,781 | 22,521 | 19      | 26,226 | 2       | 53,007 | 43,985 | 21      |
| Employee Cost                 | 2,873  | 2,880  | (0.2)   | 2,843  | 1       | 5,716  | 5,926  | (4)     |
| Occupancy cost including rent | 4,023  | 4,040  | (0.4)   | 4,984  | (19)    | 9,006  | 8,688  | 4       |
| Other Expenses                | 5,431  | 4,508  | 20      | 5,383  | 1       | 10,814 | 9,162  | 18      |
| Total Expenditure             | 39,108 | 33,949 | 15      | 39,435 | (1)     | 78,543 | 67,761 | 16      |
| EBITDA                        | 8,132  | 6,407  | 27      | 8,377  | (3)     | 16,510 | 12,512 | 32      |
| Operating EBITDA              | 5,750  | 4,957  | 16      |        |         |        |        |         |
| Other Income                  | 1,192  | 1,387  | (14)    | 409    | 192     | 1,601  | 1,848  | (13)    |
| Depreciation                  | 3,153  | 1,915  | 65      | 2,839  | 11      | 5,991  | 3,674  | 63      |
| EBIT                          | 6,172  | 5,878  | 5       | 5,947  | 4       | 12,119 | 10,686 | 13      |
| Operating EBIT                | 4,770  | 4,370  | 9       | 5,370  | -11     | 10,140 | 8,540  | 19      |
| Interest expense              | 413    | 324    | 27      | 395    | 4       | 808    | 635    |         |
| PBT before exceptional item   | 5,759  | 5,554  |         | 5,552  | 4       | 11,311 | 10,050 |         |
| Exceptional items             | -      | -      |         | -      |         | -      | -      |         |
| PBT                           | 5,759  | 5,554  | 4       | 5,552  | 4       | 11,311 | 10,050 | 13      |
| Tax expense                   | 1,251  | 1,320  | (5)     | 1,326  | (6)     | 2,577  | 2,394  | 8       |
| Reported PAT                  | 4,508  | 4,234  | 6       | 4,226  | 7       | 8,734  | 7,656  | 14      |
| EPS                           | 13     | 12     | 6       | 12     | 7       | 25     | 22     | 14      |
|                               |        |        | bps     |        | bps     |        |        | bps     |
| Gross Margin (%)              | 43.3   | 44.2   | (88)    | 45.1   | (184)   | 44.2   | 45.2   | (97)    |
| EBITDA Margin (%)             | 17.2   | 15.9   | 134     | 17.5   | (31)    | 17.4   | 15.6   | 178     |
| Op EBITDA Margin (%)          | 12.2   | 12.3   | (10)    |        |         |        |        |         |
| EBIT Margin (%)               | 13.1   | 14.6   | (150)   | 12.4   | 63      | 12.7   | 13.3   | (56)    |
| Op EBIT Margin (%)            | 10.1   | 10.8   | (73)    | 11.2   | (110)   | 10.7   | 10.6   | 10      |
| PBT Margin (%)                | 12.2   | 13.8   | (157)   | 11.6   | 58      | 11.9   | 12.5   | (62)    |
| Tax Rate (%)                  | 21.7   | 23.8   | (204)   | 23.9   | (216)   | 22.8   | 23.8   | (104)   |
| Adj PAT Margin (%)            | 9.5    | 10.5   | (95)    | 8.8    | 70      | 9.2    | 9.5    | (35)    |

Source: Company, Nuvama Research

## Company Description

Trent Limited is part of the Tata Group and operates a portfolio of retail concepts. The primary customer propositions of Trent include Westside, one of India's leading chains of fashion retail stores, Zudio, a one stop destination for great fashion at great value and Trent Hypermarket, which operates in the competitive food, grocery and daily needs segment under the Star banner. Trent's new fashion concepts include Samoh, a differentiated & elevated occasion wear offering and Misbu that offers a curated & compelling range of beauty, personal care and fashion accessories

Westside stores have a footprint of predominantly between 20,000-30,000 sq. ft. across 86 cities. Westside stocks a broad range of products ranging from apparel, footwear, accessories to cosmetics and perfumes to home accessories and gifts amongst others. Zudio, the value fashion format destination, operates with stores having a footprint of around 7,000-12,000 sq. ft. Zudio stores offer several product categories to meet the varied shopping needs of customers. These include apparel across men, women and kids and footwear.

## Investment Theme

Trent was among the earliest entrants in the organised retail sector in India and has focused on developing a robust business model in each of the retail formats pursued. The company primarily operates stores across formats—Westside, Zudio, Zara, Star Bazaar. In our view, the businesses should be separately valued as each entails distinct value proposition.

## Key Risks

**Real estate:** Limited availability of quality real estate coupled with high rentals and non-adherence to committed schedules by builders pose significant challenge to deployment of strategic expansion plans.

**Electricity availability & costs:** Electricity is one of the largest components of cost and has increased significantly in recent years, especially in Maharashtra. Separately, higher power deficits in select cities have led to increased load shedding, implying more reliance on generators, which has added to costs—Trent's stores in Chennai a case in point.

**Discounting by online retailers:** Several online players have disrupted the retail market, over the past few years, with discounting funded by overseas shareholders. Sustainability of such discounting is debatable, but players need to, nevertheless, handle the onslaught and continue to be relevant to target audience. The recent clarification from the Department of Industrial Policy and Promotion (DIPP) on 100% FDI in e-commerce marketplaces is likely to facilitate formalisation of presence and hopefully adoption of more sustainable business models.

## Additional Data

### Management

|          |                              |
|----------|------------------------------|
| CEO      | P Venkatesalu                |
| CFO      | Neeraj Basur                 |
| Director | N. N. Tata                   |
| Auditor  | Deloitte Haskins & Sells LLP |

### Holdings – Top 10\*

| % Holding       |      | % Holding       |      |
|-----------------|------|-----------------|------|
| Motilal Oswal A | 2.29 | UTI AMC         | 1.31 |
| Vanguard group  | 2.18 | Axis AMC        | 0.90 |
| SBI Life        | 2.42 | Nippon Life AMC | 0.98 |
| Blackrock       | 2.08 | Canara Robeco   | 0.72 |
| SBI Funds       | 2.08 | Franklin Resour | 0.52 |

\*Latest public data

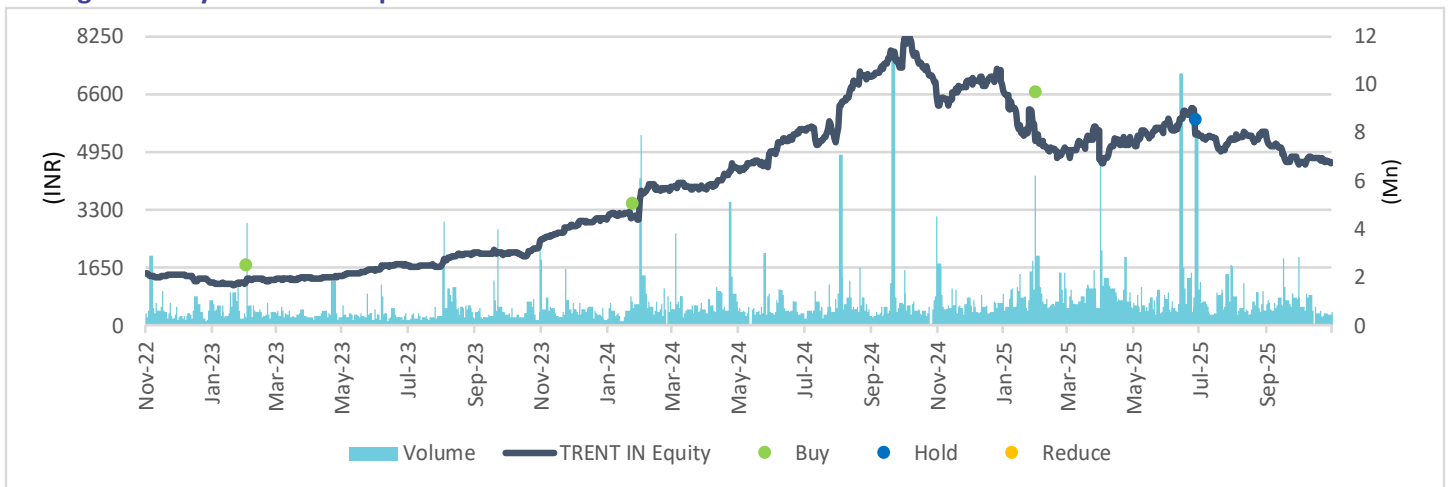
### Recent Company Research

| Date      | Title                                                    | Price | Reco |
|-----------|----------------------------------------------------------|-------|------|
| 07-Aug-25 | Margins surprise despite weak LTL; <i>Result Update</i>  | 5,356 | Hold |
| 04-Jul-25 | Slowing growth prompts downgrade ; <i>Company Update</i> | 6,191 | Hold |
| 19-Jun-25 | Investor Day takeaways; <i>Company Update</i>            | 5,735 | Buy  |

### Recent Sector Research

| Date      | Name of Co./Sector    | Title                                         |
|-----------|-----------------------|-----------------------------------------------|
| 07-Nov-25 | Nykaa                 | Fashion back in trend; <i>Result Update</i>   |
| 07-Nov-25 | Aditya Vision         | GST cuts aid demand; <i>Result Update</i>     |
| 06-Nov-25 | Devyani International | Slow showing continues ; <i>Result Update</i> |

### Rating and Daily Volume Interpretation



### Rating Rationale & Distribution: Nuvama Research

| Rating | Expected absolute returns over 12 months | Rating Distribution |
|--------|------------------------------------------|---------------------|
| Buy    | 15%                                      | 2205                |
| Hold   | <15% and >-5%                            | 68                  |
| Reduce | <-5%                                     | 37                  |

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