

## Retail Equity Research

## TRENT LTD.

**HOLD**

Sector: Speciality Retail

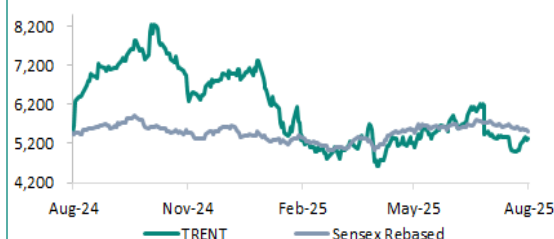
12<sup>th</sup> August, 2025

						<b>Target</b>	<b>Rs. 5,745</b>
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	<b>CMP</b>	<b>Rs. 5,370</b>
Large cap	TRENT:IN	80,236	TRENT	500251	12 Months	<b>Return</b>	<b>+7%</b>

Data as of: 12-August-2025 17:00 hrs

Company Data			
Market Cap (Rs.cr)	188,835		
52 Week High — Low (Rs.)	8,346 - 4,492		
Enterprise Value (Rs. cr)	189,044		
Outstanding Shares (cr)	35.5		
Free Float (%)	62.3		
Dividend Yield (%)	0.1		
6m average volume (lakhs)	13.7		
Beta	1.1		
Face value (Rs. )	1.0		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	37.0	37.0	37.0
FII's	21.7	19.7	18.4
MFs/Institutions	15.3	17.2	18.5
Public	20.1	20.2	20.2
Others	6.0	5.9	5.9
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	1.6%	-2.6%	-5.9%
Absolute Sensex	-0.6%	2.6%	1.2%
Relative Return	2.2%	-5.2%	-7.1%

\*over or under performance to benchmark index



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	17,135	22,069	27,807
Growth (%)	38.5	28.8	26.0
EBITDA	2,759	3,630	4,674
EBITDA Margin (%)	16.1	16.4	16.8
PAT Adjusted	1,547	2,041	2,687
Growth (%)	70.2	33.0	31.7
Adjusted EPS	43.5	57.4	75.6
Growth (%)	70.2	33.0	31.7
P/E	122.1	92.5	70.3
P/B	34.6	25.9	19.4
EV/EBITDA	68.5	52.1	40.5
ROE (%)	28.1	28.0	27.7
D/E	0.1	0.1	0.1

## Aggressive expansion drives Trent growth

**Trent Ltd is a leading Indian retail company that operates stores under the Westside, Zudio and Star Bazaar brands, specialising in apparel, footwear, accessories, toys, games and other lifestyle products.**

- In Q1FY26, revenue rose 19.0% YoY to Rs. 4,883cr, driven by strong growth in the Zudio and Westside businesses, aggressive expansion and resilient consumer spending, despite economic headwinds.
- Westside and Zudio's combined revenue surged 22.0% YoY to Rs. 4,014cr, led by aggressive store expansion, deeper market density and consistent product value in diverse customer segments.
- Revenue from the food and grocery segment increased 6.6% YoY to Rs. 869cr with flat same-store sales and a higher contribution from private labels (70%).
- Online sales for Westside grew 35% YoY and now contribute over 6% of brand revenue, led by consistent product experience and increasing digital adoption.
- EBITDA increased 38.2% YoY to Rs. 848cr, while EBITDA margin expanded 250bps YoY to 17.4%, driven by revenue growth and a stable gross margin.

## Outlook &amp; Valuation

The company delivered a strong operating performance, supported by the calibrated expansion of Westside and Zudio, increasing penetration in the core consumption market and continued traction in private label categories. Strategic investment in loyalty platforms, differentiated assortment and supply chain efficiency boosted customer stickiness and operational scalability. The management remains focus on enhancing productivity through smart retailing, while strengthening brand visibility via targeted regional formats. However, moderation in net new store addition and muted like-for-like growth in newer geographies may constrain near-term operational leverage. Nonetheless, the company's execution discipline, omni-channel readiness and scale-driven efficiencies are expected to support steady long term growth. Therefore, **we assign a HOLD rating on the stock with a target price of Rs. 5,745, based on 66x FY27E adjusted EPS.**

## Quarterly Finance Consol.

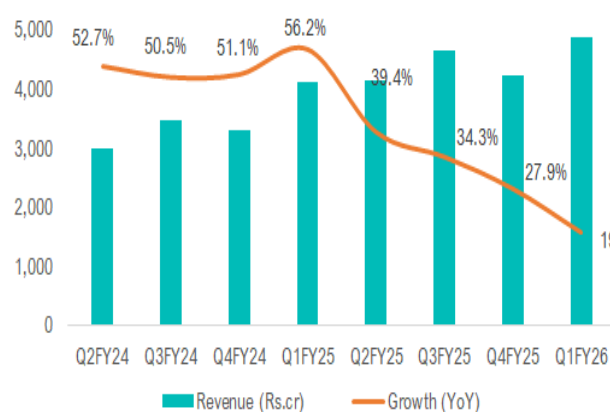
Rs.cr	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Sales	4,883	4,104	19.0	4,217	15.8
EBITDA	848	613	38.2	652	30.0
Margin (%)	17.4	14.9	250bps	15.5	190bps
EBIT	555	432	28.4	380	46.0
PBT	565	501	12.6	416	35.8
Rep. PAT	425	391	8.6	312	36.3
Adj PAT	430	393	9.5	318	35.1
Adj. EPS (Rs)	12.1	11.0	9.5	8.9	35.1



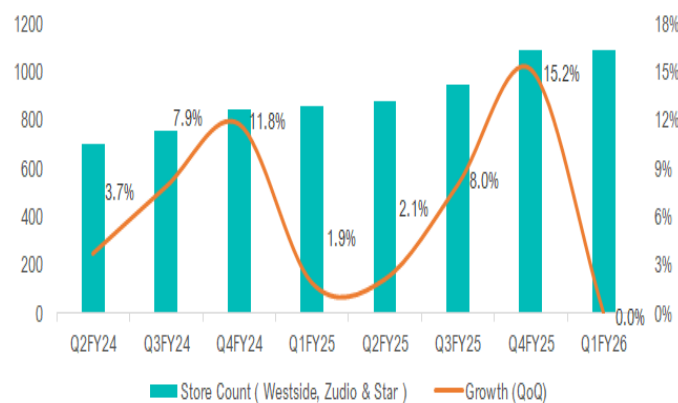
## Key concall highlights

- Trent expanded to over 1,043 fashion stores across 242 cities, focusing on increasing density in key markets while entering new Tier II/III cities with evolving fashion demand profiles.
- WestStyleClub has over 18 million members and the brand's stores span 5.5 million sq. ft. of retail area, reflecting its wide customer base and expansive physical presence.
- Westside expanded its footprint to 248 stores across 86 cities, adding one new store and consolidating one in Q1FY26.
- Trent's Zudio added 11 new stores and consolidated 10, reinforcing its strategy of fast-paced rollout and dynamic network optimisation to dominate the value fashion retail space nationwide, including presence in the UAE.
- Star's SMARTLE brand accounted for 82% of the general merchandise share, showcasing Trent's push towards creating distinct, high-margin in-house labels as differentiators in India's competitive grocery space.
- Star operates 77 stores across 10 cities with a retail footprint of 1.3 million sq. ft., reflecting a calibrated and efficiency-led expansion approach.

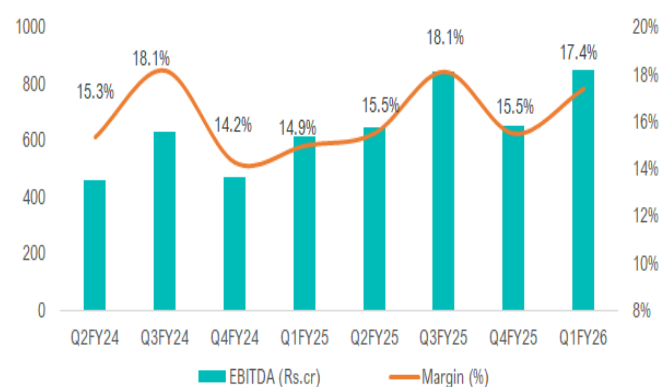
## Revenue



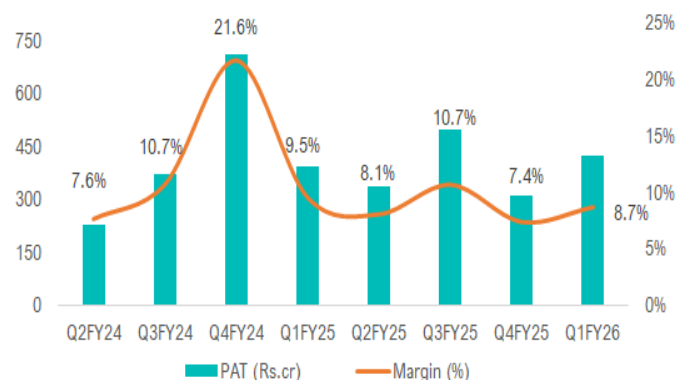
## Store Count ( Westside, Zudio & Star )



## EBITDA



## PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change - (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	-	-	22,069	27,807	-	-
EBITDA	-	-	3,630	4,674	-	-
Margins (%)	-	-	16.4	16.8	-	-
Adj. PAT	-	-	2,041	2,687	-	-
EPS	-	-	57.4	75.6	-	-



## Consolidated Financials

### Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Sales</b>	<b>8,242</b>	<b>12,375</b>	<b>17,135</b>	<b>22,069</b>	<b>27,807</b>
% change	83.2	50.1	38.5	28.8	26.0
<b>EBITDA</b>	<b>1,074</b>	<b>1,923</b>	<b>2,759</b>	<b>3,630</b>	<b>4,674</b>
% change	86.9	79.1	43.4	31.6	28.8
Depreciation	494	672	896	1,086	1,281
<b>EBIT</b>	<b>580</b>	<b>1,251</b>	<b>1,863</b>	<b>2,544</b>	<b>3,393</b>
Interest	369	319	139	137	136
Other Income	341	989	305	314	325
<b>PBT</b>	<b>552</b>	<b>1,921</b>	<b>2,030</b>	<b>2,721</b>	<b>3,583</b>
% change	396.4	247.9	5.7	34.1	31.7
Tax	158	443	495	680	896
Tax Rate (%)	28.7	23.1	24.4	25.0	25.0
<b>Reported PAT</b>	<b>394</b>	<b>1,477</b>	<b>1,534</b>	<b>2,041</b>	<b>2,687</b>
PAT att. to common shareholders	445	1,487	1,547	2,041	2,687
Adj.*	3	-576	-	-	-
<b>Adj. PAT</b>	<b>448</b>	<b>911</b>	<b>1,547</b>	<b>2,041</b>	<b>2,687</b>
% change	539.3	127.3	70.2	33.0	31.7
No. of shares (cr)	35.5	35.5	35.5	35.5	35.5
<b>Adj EPS (Rs.)</b>	<b>12.6</b>	<b>25.6</b>	<b>43.5</b>	<b>57.4</b>	<b>75.6</b>
% change	539.3	127.3	70.2	33.0	31.7
DPS (Rs.)	2.2	3.2	5.0	5.7	7.6

### Cashflow

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	887	2,150	2,430	3,126	3,968
Non-cash adj.	-29	-549	-316	-1,235	-1,810
Other adjustments	-	-	-	-	-
Changes in W.C	-264	-252	-453	-240	-300
<b>C.F. Operation</b>	<b>595</b>	<b>1,349</b>	<b>1,661</b>	<b>1,651</b>	<b>1,857</b>
Capital exp.	-223	-394	-862	-980	-1,140
Change in inv.	-45	-192	-69	-226	-298
Other invest.CF	166	77	7	-63	-70
<b>C.F - Investment</b>	<b>-103</b>	<b>-508</b>	<b>-924</b>	<b>-1,270</b>	<b>-1,508</b>
Issue of equity	-	-	-	-	-
Issue/repay debt	-	-	-	-	-
Dividends paid	-39	-78	-114	-204	-269
Other finance.CF	-452	-551	-580	-105	-102
<b>C.F - Finance</b>	<b>-491</b>	<b>-629</b>	<b>-694</b>	<b>-309</b>	<b>-371</b>
Chg. in cash	1	211	44	72	-21
Closing Cash	86	298	340	412	391

### Balance Sheet

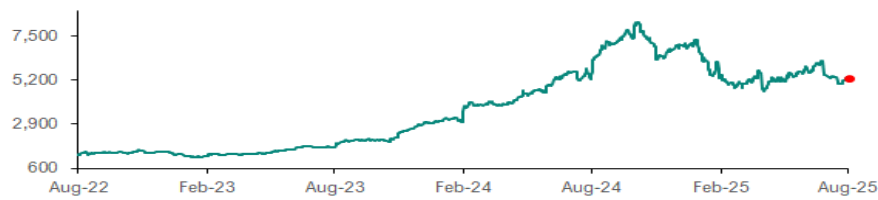
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	86	298	340	412	391
Accts. Receivable	34	82	63	73	87
Inventories	1,361	1,583	2,045	2,557	3,175
Other Cur. Assets	896	1,148	1,226	1,857	2,057
Investments	591	723	872	1,099	1,396
Gross Fixed As-sets	5,687	3,330	5,570	6,550	7,690
Net Fixed Assets	4,421	2,348	3,795	3,591	3,228
CWIP	102	224	180	278	501
Intangible Assets	78	75	73	114	204
Def. Tax -Net	156	54	43	60	79
Other Assets	355	628	783	1,615	3,450
<b>Total Assets</b>	<b>8,082</b>	<b>7,162</b>	<b>9,420</b>	<b>11,654</b>	<b>14,568</b>
Current Liabilities	1,094	1,541	2,011	2,341	2,767
Provisions	59	160	166	174	183
Debt Funds	498	499	499	500	500
Other Liabilities	3,768	859	1,161	1,219	1,280
Equity Capital	36	36	36	36	36
Res. & Surplus	2,560	4,032	5,426	7,263	9,681
Shareholder Funds	2,595	4,068	5,462	7,298	9,717
Minority Interest	67	35	122	122	122
<b>Total Liabilities</b>	<b>8,082</b>	<b>7,162</b>	<b>9,420</b>	<b>11,654</b>	<b>14,568</b>
BVPS	73	114	154	205	273

### Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	13.0	15.5	16.1	16.4	16.8
EBIT margin (%)	7.0	10.1	10.9	11.5	12.2
Net profit mgn.(%)	4.8	11.9	9.0	9.2	9.7
ROE (%)	15.2	36.3	28.1	28.0	27.7
ROCE (%)	18.3	27.2	30.6	32.1	32.8
<b>W.C &amp; Liquidity</b>					
Receivables (days)	1.5	2.4	1.3	1.2	1.1
Inventory (days)	91.9	71.8	66.6	65.2	64.8
Payables (days)	44.9	35.1	30.2	30.8	31.5
Current ratio (x)	2.2	2.0	1.8	2.1	2.1
Quick ratio (x)	0.6	0.7	0.5	0.5	0.5
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	1.5	2.7	3.9	3.6	3.9
Total asset T.O (x)	1.0	1.6	2.1	2.1	2.1
Int. covge. ratio (x)	1.6	3.9	13.4	18.5	25.0
Adj. debt/equity (x)	0.2	0.1	0.1	0.1	0.1
<b>Valuation</b>					
EV/Sales (x)	6.0	11.4	11.0	8.6	6.8
EV/EBITDA (x)	46.0	73.1	68.5	52.1	40.5
P/E (x)	109.2	154.1	122.1	92.5	70.3
P/BV (x)	18.8	34.5	34.6	25.9	19.4



## Recommendation Summary - (last 3 years)



Dates	Rating	Target
12-Aug-25	HOLD	5,745

## Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

### Not rated/Neutral

#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

#### Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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