

# Avenue Supermarts Ltd.

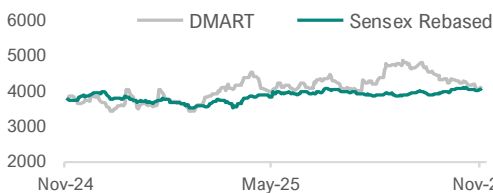
**BUY**

Sector: Retail stores

20<sup>th</sup> November 2025

Key Changes	Target	Rating	Earnings	Target	Rs. 4,650
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large Cap	DMART:IN	85,186	DMART	540376	12 Months
				<b>CMP</b>	<b>Rs. 4,028</b>
				<b>Return</b>	<b>+15%</b>

Data as of: 19-11-2025, 18:00 hrs

Company Data			
Market Cap (Rs. cr.)	2,62,114		
52 Week High — Low (Rs.)	4,916-3,337		
Enterprise Value (Rs. cr)	2,60,741		
Outstanding Shares (Rs cr)	65		
Free Float (%)	23		
Dividend Yield (%)	0.0		
6m average volume (cr)	0.06		
Beta	1.02		
Face value (Rs)	10.0		
Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	74.7	74.7	74.7
FII's	8.2	8.3	8.7
MFs/Institutions	9.2	9.3	9.1
Public	5.1	4.8	4.5
Others	2.8	3.0	3.1
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-7%	-3%	7%
Absolute Sensex	5%	3%	7%
Relative Return	-12%	-6%	0%
<b>*over or under performance to benchmark index</b>			
			
Standalone (Rs.cr)	FY25A	FY26E	FY27E
Sales	57,790	67,524	81,311
Growth (%)	16.7	16.8	20.4
EBITDA	4,543	5,177	6,380
EBITDA Margin (%)	7.9	7.7	7.8
Adj. PAT	2,927	3,131	4,013
Growth (%)	8.6	7.0	28.2
Adj. EPS	45.0	48.1	61.7
Growth (%)	8.6	7.0	28.2
P/E	89.5	83.7	65.3
P/B	11.3	9.9	8.6
EV/EBITDA	57.6	50.6	41.0
ROE (%)	14.1	13.2	14.7
D/E	0.0	0.0	0.0
<b>Author: Vincent K A - Sr. Research Analyst</b>			

## Focusing on accelerating store expansion...

**Avenue Supermarts Ltd. (DMart) owns & operates India's most profitable supermarket chain, DMart. It provides products like food, non-food (FMCG), general merchandise & apparel through 432 stores (total 17.9mn sq. ft).**

- Revenue rose 15.4% YoY to Rs. 16,219 crore, supported by festive demand and continued store additions. Like-for-like growth for stores older than 24 months stood at 6.8%, indicating healthy underlying momentum.
- EBITDA grew 11.3% YoY to Rs. 1,230 crore, though margins moderated to 7.6% (vs. 7.9% in Q2FY25) due to higher operating costs and lack of improvement in discretionary product mix. PAT increased by 5% YoY to Rs. 747 crore.
- DMart added 8 new stores in Q2 (vs. 6YoY), taking the total count to 432 stores with a retail business area of 17.9 million sq. ft. Cluster-based expansion continues to be the core strategy.
- DMart Ready added 10 new fulfillment centers in key metro markets, while rationalizing presence by exiting five smaller cities. The platform now operates across 19 cities, reinforcing focus on high-potential urban clusters.

## Outlook & Valuation

Avenue Supermarts is positioned for healthy growth, supported by its debt-free balance sheet and strong operational fundamentals. The company plans accelerated store expansion, particularly in North India, while maintaining disciplined execution in existing markets. Brick-and-mortar remains its core moat against rising quick commerce competition, complemented by DMart Ready's calibrated scale-up through additional fulfillment centers and plans for improvement in delivery timelines. Private labels will grow selectively under a margin-accretive framework. Operational investments in service quality and supply chain efficiency aim to enhance customer experience can impact margins in the short-term. DMart targets steady revenue growth, prioritizing market capture over short-term margin stability. **DMart currently trades at 75x 1Yr Fwd PE (3yr avg =79x). We maintain our BUY rating with a target price of Rs.4,650 by valuing at 65x on Sept 2027 EPS.**

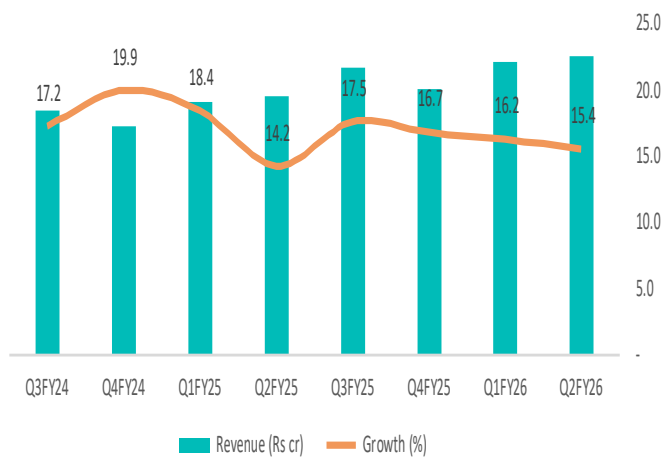
## Quarterly Financials Standalone

Rs. cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	16,219	14,050	15.4	15,932	1.8	32,151	30,028	7.1
EBITDA	1,230	1,105	11.3	1,313	-6.3	2,543	2,217	14.7
Margin (%)	7.6	7.9	-30bps	8.2	-70bps	7.9	7.4	-30bps
EBIT	1,002	920	8.9	1,104	-9.2	2,105	1,797	17.2
PBT	1,003	953	5.2	1,111	-9.8	2,114	1,841	14.8
Rep. PAT	747	710	5.1	830	-10.0	1,576	1,404	12.2
Adj PAT	747	710	5.1	830	-10.0	1,576	1,404	12.2
EPS (Rs)	11.5	11.0	5.1	12.8	-10.0	24.3	21.7	12.2

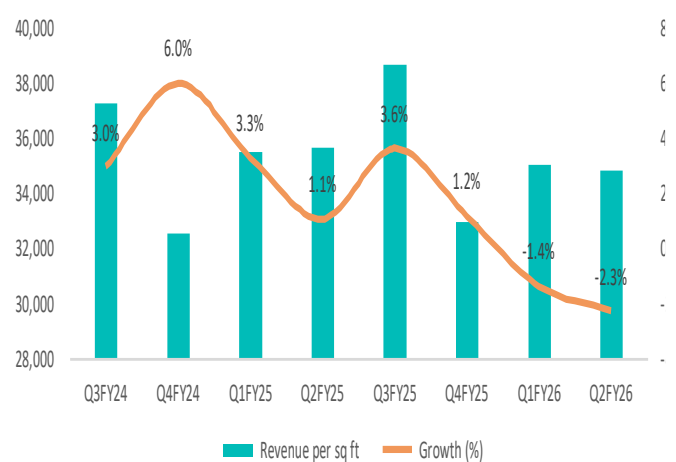
## Key Highlights...

- Store Additions: 8 new stores added in Q2FY26; total store count reached 432 as of September 30, 2025.
- Retail Area: Retail business area increased to 17.9 mn sq. ft. from 17.6 mn sq. ft. in Q1FY26.
- SSSG: Like-for-like growth for stores older than 24 months stood at 6.8% YoY.
- Bill Cuts: Total bill cuts stood at 8.69 crore in Q2FY26, marginally down from 8.78 crore in Q1FY26.
- Revenue per sq. ft.: ₹8,692 in Q2FY26 vs ₹8,779 in Q1FY26.
- Product Mix: General Merchandise & Apparel share remained stable at ~23.3%, indicating limited mix improvement.
- DMart Ready: Present in 19 cities; added 10 new fulfilment centers in Q2FY26. Operations ceased in 5 cities to focus on large metros.

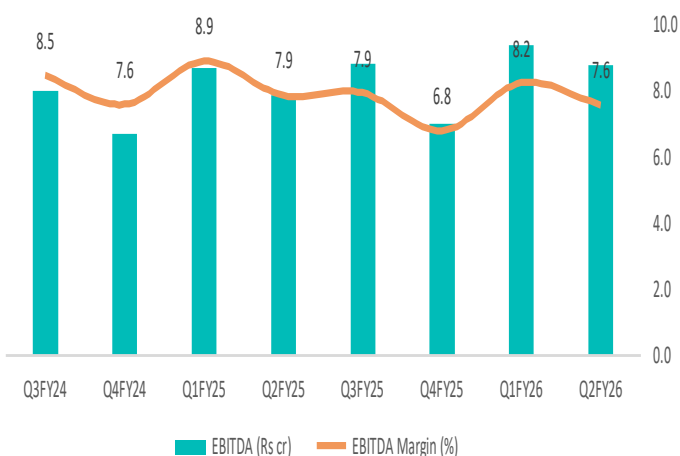
### Revenue



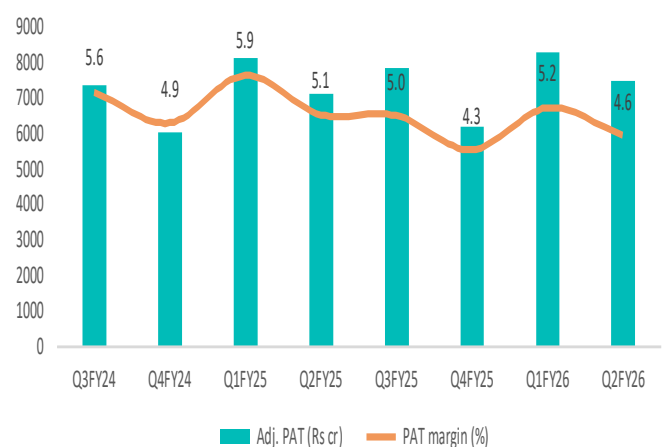
### Revenue per sqft (annualised)



### EBITDA



### PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	67,747	81,598	67,524	81,311	-0.3	-0.4
EBITDA	5,278	6,566	5,177	6,380	-1.9	-2.8
Margins (%)	7.8	8.0	7.7	7.8	-12bps	-20bps
Adj. PAT	3,230	4,123	3,131	4,013	-3.1	-2.7
EPS	49.6	63.4	48.1	61.7	-3.0	-2.7



## Standalone Financials

### Profit & Loss

Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Revenue	30,353	41,833	49,533	57,790	67,524	81,311
% change	27.6	37.8	18.4	16.7	16.8	20.4
EBITDA	2,502	3,659	4,099	4,543	5,177	6,380
% change	43.6	46.3	12.0	10.8	14.0	23.2
Depreciation	421	543	633	776	992	1,073
EBIT	2,080	3,116	3,467	3,767	4,186	5,307
Interest	40	48	44	58	106	103
Other Income	141	163	189	174	139	203
PBT	2,182	3,231	3,611	3,883	4,219	5,407
% change	41.2	48.1	11.8	7.5	8.6	28.2
Tax	566	675	916	956	1,088	1,394
Tax Rate	25.9%	20.9%	25.4%	24.6%	25.8%	25.8%
Reported PAT	1,616	2,556	2,695	2,927	3,131	4,013
Adj*	0	141	0	0	0	0
Adj PAT	1,616	2,416	2,695	2,927	3,131	4,013
% change	38.7	49.5	11.6	8.6	7.0	28.2
No. of shares (cr)	64.8	64.8	65.1	65.1	65.1	65.1
Adj EPS (Rs.)	24.9	37.3	41.4	45.0	48.1	61.7
% change	38.7	49.4	11.1	8.6	7.0	28.2
DPS (Rs.)	0	0	0	0	0	0
CEPS (Rs.)	31.4	45.6	51.1	56.9	63.4	78.2

### Balance Sheet

Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	284	1,373	560	331	184	209
Accounts Receivable	231	247	393	349	425	512
Inventories	2,587	3,056	3,723	4,805	5,084	6,055
Other Cur. Assets	249	460	1,277	687	795	958
Investments	628	1,055	1,146	1,328	1,564	1,847
Gross Fixed Assets	10,428	12,996	15,798	19,359	23,391	27,473
Net Fixed Assets	8,723	10,748	12,917	15,702	18,743	21,752
CWIP	1,073	829	930	1,091	1,100	1,100
Intangible Assets	10	10	17	18	18	18
Def. Tax (Net)	-65	-79	-94	-115	-115	-115
Other Assets	1,619	466	603	580	678	816
<b>Total Assets</b>	<b>15,339</b>	<b>18,165</b>	<b>21,472</b>	<b>24,776</b>	<b>28,476</b>	<b>33,153</b>
Current Liabilities	1,061	1,287	1,821	2,002	2,387	2,872
Provisions	33	46	55	42	49	59
Debt Funds	0	0	0	0	0	0
Other Liabilities	321	330	315	502	679	847
Equity Capital	648	648	651	651	651	651
Reserves & Surplus	13,276	15,854	18,630	21,579	24,710	28,723
Shareholder's Fund	13,924	16,503	19,281	22,230	25,361	29,374
<b>Total Liabilities</b>	<b>15,339</b>	<b>18,165</b>	<b>21,472</b>	<b>24,776</b>	<b>28,476</b>	<b>33,153</b>
<b>BVPS (Rs.)</b>	<b>223</b>	<b>264</b>	<b>309</b>	<b>356</b>	<b>406</b>	<b>471</b>

### Cash Flow

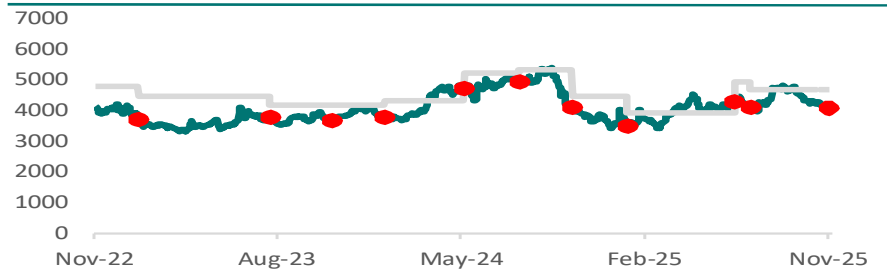
Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	2,037	3,100	3,328	3,703	4,123	5,086
Non-cash adj.	-74	-120	64	-71	-33	-100
Changes in W.C	-648	-301	-649	-1,035	8	-696
<b>C.F. Operation</b>	<b>1,315</b>	<b>2,678</b>	<b>2,743</b>	<b>2,597</b>	<b>4,097</b>	<b>4,290</b>
Capital exp.	-2,282	-2,129	-2,685	-3,346	-4,042	-4,082
Change in inv.	925	-185	-300	1,030	139	203
Other invest.CF	39	-166	352	-64	-236	-283
<b>C.F - Investment</b>	<b>-1,292</b>	<b>-2,442</b>	<b>-2,584</b>	<b>-2,322</b>	<b>-4,139</b>	<b>-4,162</b>
Issue of equity	0	16	73	0	0	0
Issue/repay debt	-81	-100	-115	-146	0	0
Dividends paid	0	0	0	0	0	0
Other finance.CF	-39	-48	-44	-58	-106	-103
<b>C.F - Finance</b>	<b>-121</b>	<b>-132</b>	<b>-87</b>	<b>-204</b>	<b>-106</b>	<b>-103</b>
Chg. in cash	-98	103	72	71	-147	25
Closing cash	83	187	560	331	184	209

### Ratios

Y.E March	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Profitab. &amp; Return</b>						
EBITDA margin (%)	8.2	8.7	8.3	7.9	7.7	7.8
EBIT margin (%)	6.9	7.4	7.0	6.5	6.2	6.5
Net profit mgn.(%)	5.3	5.8	5.4	5.1	4.6	4.9
ROE (%)	12.3	15.9	15.1	14.1	13.2	14.7
ROCE (%)	12.6	16.2	15.3	14.4	13.6	15.0
<b>W.C &amp; Liquidity</b>						
Receivables (days)	1.8	2.1	2.4	2.3	2.1	2.1
Inventory (days)	33.3	28.8	29.1	31.4	31.1	29.1
Payables (days)	7.7	6.3	7.1	7.2	6.9	6.9
Current ratio (x)	3.1	3.9	3.2	3.0	2.7	2.6
Quick ratio (x)	0.3	0.3	0.4	0.3	0.3	0.3
<b>Turnover &amp; Leverage</b>						
Gross asset T.O (x)	3.3	3.6	3.4	3.3	3.2	3.2
Total asset T.O (x)	2.1	2.5	2.5	2.5	2.5	2.6
Int. coverage ratio (x)	52.5	64.8	78.4	65.2	39.6	51.4
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation</b>						
EV/Sales (x)	8.6	6.2	5.3	4.5	3.9	3.2
EV/EBITDA (x)	104.7	71.3	63.8	57.6	50.6	41.0
P/E (x)	161.4	108.1	97.3	89.5	83.7	65.3
P/BV (x)	18.1	15.2	13.0	11.3	9.9	8.6



## Recommendation Summary (last 3 years)



Source: Bloomberg, Geojit Research

Dates	Rating	Target
01-Nov-23	Buy	4,160
19-Jan-24	Buy	4,300
17-May-24	Buy	5,200
06-Aug-24	HOLD	5,310
29-Oct-24	BUY	4,471
16-Jan-25	BUY	4,107
26-Jun-25	BUY	4,921
23-July-25	BUY	4,657
20-Nov-25	BUY	4,650

## 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

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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

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