

Avenue Supermarts Ltd.

BUY

Sector: Retail stores

23rd June 2026

Key Changes	Target ▲	Rating ●	Earnings ▼	Target	Rs. 5,063
Stock Type	Bloomberg Code	Sensex	NSE Code	CMP	Rs. 4,328
Large Cap	DMART:IN	77,094	DMART	Return	+17%

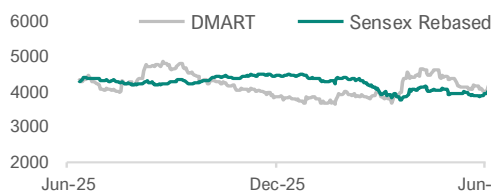
Data as of: 22-06-2026, 18:00 hrs

Company Data	
Market Cap (Rs. cr.)	2,82,168
52 Week High — Low (Rs.)	4,916-3,529
Enterprise Value (Rs. cr)	2,80,263
Outstanding Shares (Rs cr)	65.0
Free Float (%)	24.6
Dividend Yield (%)	0.0
6m average volume (cr)	0.06
Beta	1.1
Face value (Rs)	10.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	74.7	74.7	74.5
FII's	8.7	8.7	9.0
MFs/Institutions	9.0	8.8	8.8
Public	7.5	7.8	7.6
Others	0.1	0.1	0.1
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	15%	14%	1%
Absolute Sensex	4%	-10%	-6%
Relative Return	11%	24%	7%

*over or under performance to benchmark index



Standalone (Rs.cr)	FY26A	FY27E	FY28E
Sales	66,968	78,566	97,352
Growth (%)	15.9	17.3	23.9
EBITDA	5,255	6,129	7,728
EBITDA Margin (%)	7.8	7.8	7.9
Adj. PAT	3,224	3,789	4,716
Growth (%)	10.1	17.5	24.5
Adj. EPS	49.4	58.1	72.3
Growth (%)	9.9	17.5	24.5
P/E	87.5	74.5	59.8
P/B	10.6	9.2	7.9
EV/EBITDA	53.8	46.3	36.7
ROE (%)	13.5	13.8	14.9
D/E	0.0	0.1	0.1

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Aggressive Store Rollout Drives Growth...

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 500 stores (total 20.6mn sq. ft).

- Q4FY26 revenue grew 19% YoY to Rs. 17,205 crore, driven by strong festive demand and continued store additions, marking the fastest growth in eight quarters. Like-for-like growth for stores older than 24 months accelerated sharply to 10.8% (vs. 8.1% in Q4FY25), the strongest performance in two years.
- EBITDA grew 26% YoY to Rs. 1,232 crore, with margin expanding ~40bps YoY to 7.2%, as gross margins saw a slight improvement and operating costs grew broadly in line with the business. Adj.PAT rose 17% YoY to Rs. 725 crore.
- DMart added a record 58 stores in Q4, surpassing the 500-store milestone. For FY26, store additions rose to 85 (vs. 50 in FY25), reflecting a strategic shift toward aggressive expansion in Tier 2/3 micro-markets.
- DMart Ready now operates across 18 cities, sharpening its focus on key metro cities while placing renewed emphasis on home delivery as its preferred channel.

Outlook & Valuation

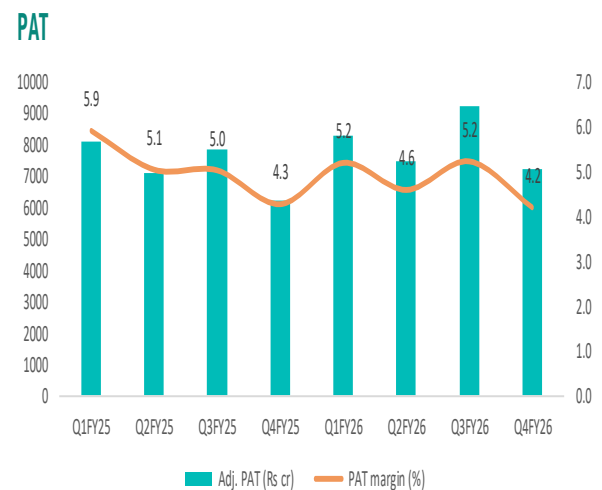
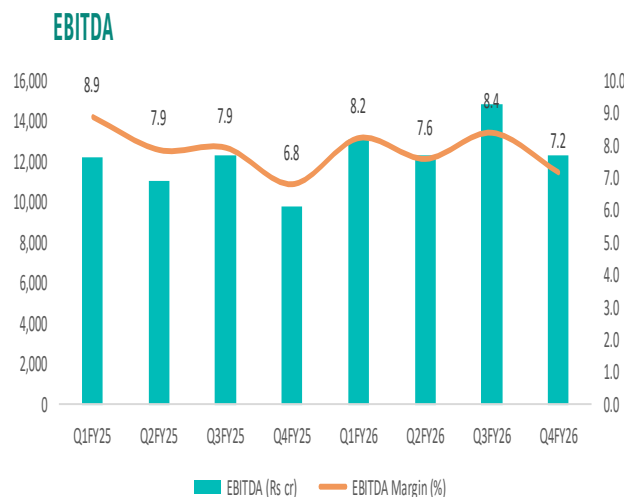
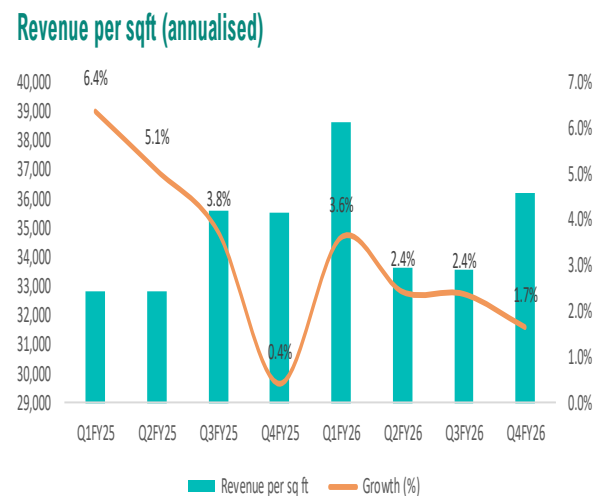
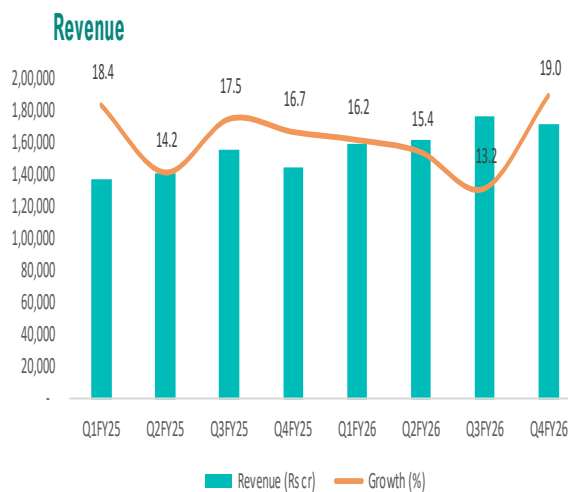
DMart's investment case continues to rest on a long, visible runway for store-led growth, underpinned by consistent execution. New GST benefits passed on to customers, alongside stabilising macroeconomic conditions and normalising consumer demand, are expected to support volume-led growth. The physical-store model, supported by continued aggressive expansion, remains DMart's principal defence against escalating quick-commerce competition, complemented by a measured DMart Ready scale-up and a sharper focus on home delivery as the preferred channel. The accelerated pace of store additions is expected to temporarily stretch inventory days and result in moderately higher debt; however, the company is expected to maintain its everyday-low-discount model strategy. **DMart currently trades at 71x 1Yr Fwd PE (3yr avg =76x). We maintain our BUY rating with a target price of Rs.5,063 by valuing at 70x based on FY28 EPS.**

Quarterly Financials Standalone

Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	17,205	14,462	19.0	17,613	-2.3	66,968	57,790	15.9
EBITDA	1,231	981	25.4	1,481	-16.9	5,255	4,543	15.7
Margin (%)	7.2	6.8	40bps	8.4	-130bps	7.8	7.9	-1bps
EBIT	975	765	27.4	1,240	-21.4	4,320	3,767	14.7
PBT	968	789	22.8	1,236	-21.7	4,318	3,883	11.2
Rep. PAT	725	620	16.9	923	-21.5	3,224	2,927	10.1
Adj PAT	725	620	16.9	923	-21.5	3,224	2,927	10.1
EPS (Rs)	11.2	9.6	16.9	14.2	-21.5	49.8	45.2	10.1

Key Highlights...

- Retail Area: Retail business area increased to 20.6 mn sq. ft. from 17.2 mn sq. ft. in FY25.
- SSSG: Like-for-like growth for stores older than 24 months grew at 10.8% YoY in Q4FY26 as compared to 8.1% in Q4FY25.
- Bill Cuts: Total bill cuts grew to 39.8 crore in FY26, compared to Rs.35.3 crore in FY25.
- Revenue per sq. ft.: Rs.33,422 in FY26 vs Rs. 33,896 in FY25, marginally down.
- Product Mix: General Merchandise & Apparel share remained stable at ~22.3%, indicating limited mix improvement.
- DMart Ready: Present in 18 cities; with a renewed emphasis on home delivery as the preferred channel and continued rationalisation toward high-potential metro clusters.



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	81,311	-	78,566	97,352	-3.4	-
EBITDA	6,380	-	6,129	7,728	-3.9	-
Margins (%)	7.8	-	7.8	7.9	-5bps	-
Adj. PAT	4,013	-	3,789	4,716	-5.6	-
EPS	61.7	-	58.1	72.3	-5.8	-



Standalone Financials

Profit & Loss

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Revenue	49,533	57,790	66,968	78,566	97,352
% change	18.4	16.7	15.9	17.3	23.9
EBITDA	4,099	4,543	5,255	6,129	7,728
% change	12.0	10.8	15.7	16.6	26.1
Depreciation	633	776	935	959	1,355
EBIT	3,467	3,767	4,320	5,170	6,374
Interest	44	58	130	244	293
Other Income	189	174	128	149	175
PBT	3,611	3,883	4,318	5,075	6,256
% change	11.8	7.5	11.2	17.5	23.3
Tax	916	956	1,095	1,286	1,540
Tax Rate	25.4%	24.6%	25.3%	25.3%	24.6%
Reported PAT	2,695	2,927	3,224	3,789	4,716
Adj*	0	0	0	0	0
Adj PAT	2,695	2,927	3,224	3,789	4,716
% change	11.6	8.6	10.1	17.5	24.5
No. of shares (cr)	65.1	65.1	65.2	65.2	65.2
Adj EPS (Rs.)	41.4	45.0	49.4	58.1	72.3
% change	11.1	8.6	9.9	17.5	24.5
DPS (Rs.)	0	0	0	0	0
CEPS (Rs.)	51.1	56.9	63.8	72.8	93.1

Cash Flow

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Deprn.	3,328	3,703	4,159	4,748	6,070
Non-cash adj.	64	-71	82	95	118
Changes in W.C	-649	-1,035	-628	-815	-1,423
C.F. Operation	2,743	2,597	3,612	4,027	4,765
Capital exp.	-2,685	-3,346	-4,026	-4,452	-4,549
Change in inv.	-300	1,030	-144	149	175
Other invest.CF	352	-64	-313	-283	-340
C.F - Investment	-2,584	-2,322	-4,425	-4,586	-4,714
Issue of equity	73	0	37	0	0
Issue/repay debt	-115	-146	822	800	250
Dividends paid	0	0	0	0	0
Other finance.CF	-44	-58	-129	-244	-293
C.F - Finance	-87	-204	731	556	-43
Chg. in cash	72	71	-82	-3	8
Closing cash	560	331	266	263	271

Balance Sheet

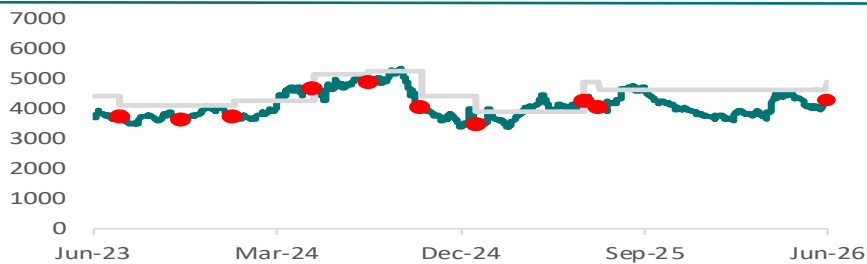
Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	560	331	266	263	271
Accounts Receivable	393	349	357	419	519
Inventories	3,723	4,805	5,630	6,532	7,981
Other Cur. Assets	1,277	687	940	1,102	1,366
Investments	1,146	1,328	1,658	1,941	2,281
Gross Fixed Assets	15,798	19,359	24,134	28,586	33,135
Net Fixed Assets	12,917	15,702	19,542	23,035	26,230
CWIP	930	1,091	1,284	1,284	1,284
Intangible Assets	17	18	27	27	27
Def. Tax (Net)	-94	-115	-125	-125	-125
Other Assets	603	580	601	705	934
Total Assets	21,472	24,776	30,180	35,184	40,767
Current Liabilities	1,821	2,002	2,504	2,934	3,631
Provisions	55	42	101	119	71
Debt Funds	0	0	965	1,765	2,015
Other Liabilities	315	502	1,090	1,057	1,026
Equity Capital	651	651	652	652	652
Reserves & Surplus	18,630	21,579	24,868	28,657	33,372
Shareholder's Fund	19,281	22,230	25,520	29,309	34,024
Total Liabilities	21,472	24,776	30,180	35,184	40,767
BVPS (Rs.)	309	356	409	470	545

Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	8.3	7.9	7.8	7.8	7.9
EBIT margin (%)	7.0	6.5	6.5	6.6	6.5
Net profit mgn.(%)	5.4	5.1	4.8	4.8	4.8
ROE (%)	15.1	14.1	13.5	13.8	14.9
ROCE (%)	15.3	14.4	13.8	14.0	14.9
W.C & Liquidity					
Receivables (days)	2.4	2.3	1.9	1.8	1.8
Inventory (days)	29.1	31.4	33.2	33.0	31.8
Payables (days)	7.1	7.2	7.2	7.5	7.3
Current ratio (x)	3.2	3.0	2.8	2.7	2.7
Quick ratio (x)	0.4	0.3	0.2	0.2	0.2
Turnover & Leverage					
Gross asset T.O (x)	3.4	3.3	3.1	3.0	3.2
Total asset T.O (x)	2.5	2.5	2.4	2.4	2.6
Int. coverage ratio (x)	78.4	65.2	33.3	21.2	21.7
Adj. debt/equity (x)	0.0	0.0	0.0	0.1	0.1
Valuation					
EV/Sales (x)	5.7	4.9	4.2	3.6	2.9
EV/EBITDA (x)	68.7	62.0	53.8	46.3	36.7
P/E (x)	104.5	96.2	87.5	74.5	59.8
P/BV (x)	14.0	12.2	10.6	9.2	7.9



Recommendation Summary (last 3 years)



Dates	Rating	Target
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
23-June-26	Buy	5,063

Source: Bloomberg, Geojit Research

Investment Rating Criteria

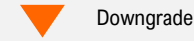
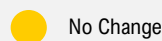
Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more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



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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