

May 4, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	3,975		3,942	
Sales (Rs. m)	7,16,883	8,66,923	7,14,989	8,64,642
% Chng.	0.3	0.3		
EBITDA (Rs. m)	52,853	63,258	53,811	64,245
% Chng.	(1.8)	(1.5)		
EPS (Rs.)	45.9	53.9	47.0	54.8
% Chng.	(2.4)	(1.6)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	5,07,888	5,93,581	7,16,883	8,66,923
EBITDA (Rs. m)	41,038	44,851	52,853	63,258
Margin (%)	8.1	7.6	7.4	7.3
PAT (Rs. m)	25,351	27,050	29,881	35,100
EPS (Rs.)	39.0	41.6	45.9	53.9
Gr. (%)	6.2	6.7	10.5	17.5
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	14.6	13.5	13.0	13.4
RoCE (%)	19.4	18.0	17.7	17.5
EV/Sales (x)	5.2	4.4	3.7	3.1
EV/EBITDA (x)	64.0	58.8	50.2	42.1
PE (x)	104.2	97.7	88.4	75.3
P/BV (x)	14.1	12.3	10.8	9.5

Key Data AVEU.BO | DMART IN

52-W High / Low	Rs.5,485 / Rs.3,337
Sensex / Nifty	80,502 / 24,347
Market Cap	Rs.2,641bn / \$ 31,243m
Shares Outstanding	651m
3M Avg. Daily Value	Rs.2651.65m

Shareholding Pattern (%)

Promoter's	74.65
Foreign	8.18
Domestic Institution	9.15
Public & Others	8.03
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(1.5)	1.4	(11.9)
Relative	(6.3)	0.5	(18.3)

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Hyper competition, Rich valuations limit upside

Quick Pointers:

- High competitive intensity in FMCG impacted Gross margin while higher wage and investments dampened the profitability.
- GM&A share at 22.6% for FY25 down by 40bps vs 23% in 9MFY25

We cut FY26/FY27 EPS estimates by 2.4/1.6% (earlier est lower by 11/14% than consensus) as we expect margin pressure to continue due to 1) sustained high competitive intensity led by consumer shift to Ecom/QC 2) accelerated store openings in a scenario of subdued demand, softer GM, higher spending on consumer service and rising store level/gig worker wages in metros. D'Mart 4Q results missed estimates as fierce competitive intensity impacted Gross margin. Operating parameters showed decent performance in Q4 with Sales/store and sales/sq ft. growing by 2.7% YoY. Cost of retail inched up by 70bps on Consol basis. General merchandise and apparel proportion declined 40bps for FY25 to 22.6% vs 23%. D'Mart might see competition from Ecom/ QC in non-apparel GMA as they try to increase their presence in higher margin non-grocery segments.

D'Mart has opened 50 stores in FY25, and we expect a further pick up in store openings to 60/65 in FY26/FY27. We believe the drag in the performance of FMCG products is temporary and should bounce back with easing inflation over the next 1-2 quarters. We estimate 10.5% EPS growth in FY26 and 13.9% CAGR over FY25-27. We believe D'Mart will need a fund infusion if it wants to further accelerate store openings. We assign a DCF based target price of Rs3975 (3942 earlier). We expect back ended returns given heightened competition in Food and Grocery retail. Maintain Hold.

Consol Revenues grew by 16.9% YoY to Rs148.7bn. Gross margins contracted by -29bps YoY to 14.2% (PLe:14.4%). EBITDA grew by 1.2% YoY to Rs9.6bn (PLe:Rs10.65bn). Margins contracted by -99bps YoY to 6.4%. (PLe:7.3%). Cost of Retail expanded by 70bps YoY to 7.7%. Adj PAT declined by -2.2% YoY to Rs5.5bn (PLe:Rs5.9bn). Dmart Ready: Imputed Revenues grew by 22.9% YoY to Rs4.1bn. LFL for FY25 came at 8.4% vs 9.9% in FY24. Avg sales/sqft increased by 2.9% YoY to Rs33896

High competitive intensity impacted margins: Q4 saw increased competitive intensity in FMCG which impacted Gross margins by 30bps and EBITDA margins by 99bps. We believe incremental erosion will be at a lower pace as some part of higher manpower and overheads on accelerated store openings would have been reflected in 4Q25 numbers as well. However, the surge in wages of entry level workers and continued investment in improving service levels will impact profitability in coming quarters as well. D'Mart saw good traction in Non-metro stores however demand at metro stores remain muted. The contribution from general merchandise and apparel for FY25 fell further by 40bps to 22.6% from 23% in Q3 as competitive intensity remains elevated. Metros also continue to see softer GM as competition from Ecom/QC continue to increase at a brisk pace.

Adds 28 stores in 4Q, store size lower YoY and higher QoQ: D'Mart added 28 stores in 4QFY25 vs 10/24 stores in 3QFY25/4QFY24 taking the total store count to 415 with retail business area of 17.2mn sq. ft. the average area per new store opened is 39.3k in Q4FY25 versus 30k sq ft in 3Q25 and 45.8k in 4Q24.

D'Mart ready sees traction in metro towns: D'Mart ready is seeing a good response in metro cities. It has shut down several pickup points with home delivery growing strong thus compensating for any loss occurred from closures. D'Mart ready will continue to focus on scaling its operation in existing towns.

Exhibit 1: Consolidated Revenues grew by 16.9% YoY, Gross margin down 29 bps YoY

Y/e March	4QFY25	4QFY24	YoY gr. (%)	3QFY25	FY25	FY24	YoY gr. (%)
Net Sales	1,48,719	1,27,266	16.9	1,59,726	5,93,585	5,07,890	16.9
Gross Profit	21,061	18,394	14.5	23,522	88,068	75,145	17.2
% of NS	14.2	14.5	(0.292)	14.7	14.8	14.8	0.0
Other Expenses	11,510	8,958	28.5	11,349	43,190	34,105	26.6
% of NS	7.7	7.0	0.7	7.1	7.3	6.7	0.6
EBITDA	9,551	9,436	1.2	12,172	44,877	41,040	9.4
Margins (%)	6.4	7.4	(1.0)	7.6	7.6	8.1	(0.5)
Depreciation	2,409	2,049	17.6	2,281	8,695	7,308	19.0
Interest	190	134	41.3	182	695	581	19.5
Other Income	251	379	(33.9)	241	1,243	1,465	(15.1)
PBT	7,203	7,632	(5.6)	9,950	36,731	34,615	6.1
Tax	1,695	2,001	(15.3)	2,715	9,652	9,257	4.3
Tax rate (%)	23.5	26.2	(2.7)	27.3	26.3	26.7	(0.5)
Adjusted PAT	5,508	5,632	(2.2)	7,236	27,081	25,363	6.8

Source: Company, PL

Exhibit 2: Added 28 stores in 4QFY25; Cost of retail increased by ~70bps YoY, 60bps QoQ

Rs mn	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
No of Stores	327	336	341	365	371	377	387	415
Area (mn Sq.ft.)	13.5	14	14	15.1	15.4	15.8	16.1	17.2
Sales/store	356	371	391	351	373	376	407	361
% growth	4.9%	6.5%	5.2%	7.0%	4.7%	1.2%	4.1%	2.7%
Sales/Ft	8,613	8,984	9,429	8,460	8,991	9,007	9,759	8,686
% growth	3.6%	6.0%	4.3%	6.4%	4.4%	0.3%	3.5%	2.7%
Gross Profit/Ft	1254	1255	1339	1160	1340	1277	1372	1170
EBIDTA/FT	771	731	798	642	801	708	774	589
Cost of retail %	6.5	6.7	6.6	7.0	6.9	7.3	7.1	7.7

Source: Company, PL

Exhibit 3: Gross Profit/Ft and EBITDA/Ft sustain growth, cost of retail to remain range bound

	FY2020	FY2021	FY2022	FY2023	FY2024E	FY2025	FY2026E	FY2027E
Sales/Ft	32879	27306	27454	31096	32941	33896	35712	37505
Gross Profit/Ft	5500	4318	4507	5185	5273	5436	5617	5885
EBIDTA/FT	3107	2098	2459	2922	2880	2769	2836	2951
Capex/Ft	10338	9586	9898	11512	13552	13146	13565	14313
Cost of retail %	6.6%	7.6%	6.7%	6.6%	6.7%	7.3%	7.2%	7.3%
Working Cap/Ft	2194	1813	1890	1904	1785	2358	2195	2308

Source: Company, PL

Exhibit 4: Bill cuts grew by 16.5% YoY to 353mn

	FY18	FY19	FY20	FY21	FY22	FY23E	FY24	FY25	FY26E	FY27E
D'Mart Bills (mn)	134	172	201	152	181	258	303	353	415	487
<i>Growth</i>	23.9%	28.0%	16.9%	-24.4%	19.1%	42.5%	17.4%	16.5%	17.5%	17.5%
Number of Stores	155	176	214	234	284	324	365	415	475	540
Addition	24	21	38	20	50	40	41	50	60	65
Bills/Store/Day	2847	2824	1859	1915	2325	2410	2436	2480	2554	2631
<i>Growth</i>	4.4%	10.6%	-0.8%	-34.2%	3.0%	21.4%	3.6%	2.9%	3.0%	3.0%
Average Bill Value (Rs/Bill)	1158	1228	1565	1677	1621	1635	1659	1635	1667	1709
<i>Growth</i>	2.0%	3.7%	6.0%	27.5%	7.2%	-3.3%	0.8%	0.0%	2.0%	2.5%

Source: Company, PL

Exhibit 5: Store expansion picks up in mature cluster as the ratio moves up from 41% to 64%

Stores	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24	FY25
Total Stores	110	131	155	176	214	234	284	324	365	415
Addition	21	21	24	21	38	20	50	40	41	50
Mature Clusters (Top 5 States)	106	120	133	152	174	185	219	248	276	308
Addition	19	14	13	19	22	11	34	29	28	32
<i>% of Total</i>	90.5	66.7	54.2	90.5	57.9	55.0	68.0	72.5	41.4	64.0
Total States	7	11	12	12	12	12	12	12	12	12
Stores in Emerging Clusters	4	11	22	24	40	49	65	76	89	107
<i>% of Total</i>	3.6	8.4	14.2	13.6	18.7	20.9	22.9	23.5	24.3	25.8
Emerging Cluster Addition	2	7	11	2	16	9	16	11	13	18
<i>% of Total</i>	9.5	33.3	45.8	9.5	42.1	45.0	32.0	27.5	31.7	36.0

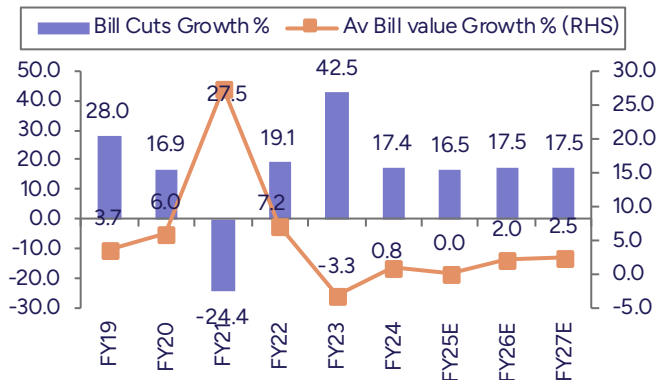
Source: Company, PL

Exhibit 6: General merchandise & Apparel continue to underperform, 4Q witnesses pressure

Sales Mix	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Foods	52.8%	53.1%	53.7%	51.6%	51.3%	52.4%	57.4%	56.9%	56.0%	57%	57.7%
Non-Foods	21.2%	20.6%	20.0%	20.0%	20.5%	20.3%	19.7%	19.7%	20.9%	20.7%	20%
General merchandise & Apparel	25.9%	26.4%	26.4%	28.4%	28.3%	27.3%	22.9%	23.4%	23.0%	22.4%	22.6%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

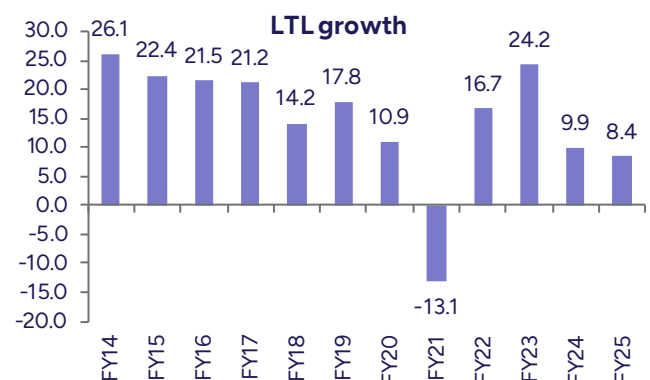
Source: Company, PL

Exhibit 7: Bill Cut to grow by 17.5% in FY26



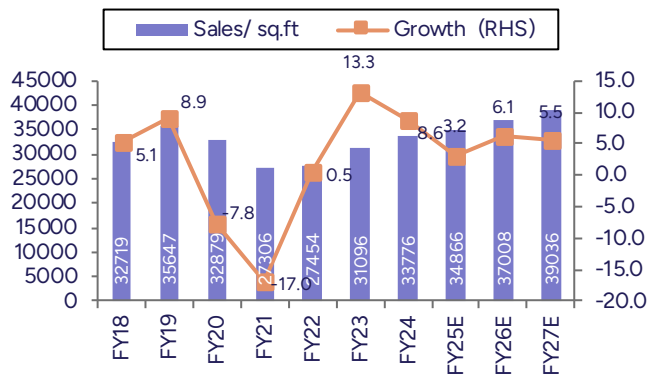
Source: Company, PL

Exhibit 8: LTL sales growth at 8.4% in FY25



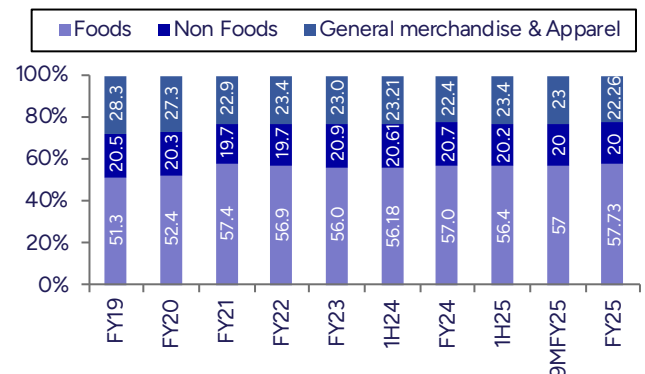
Source: Company, PL

Exhibit 9: Sales/Sq. ft. grew by 3.2% in FY25



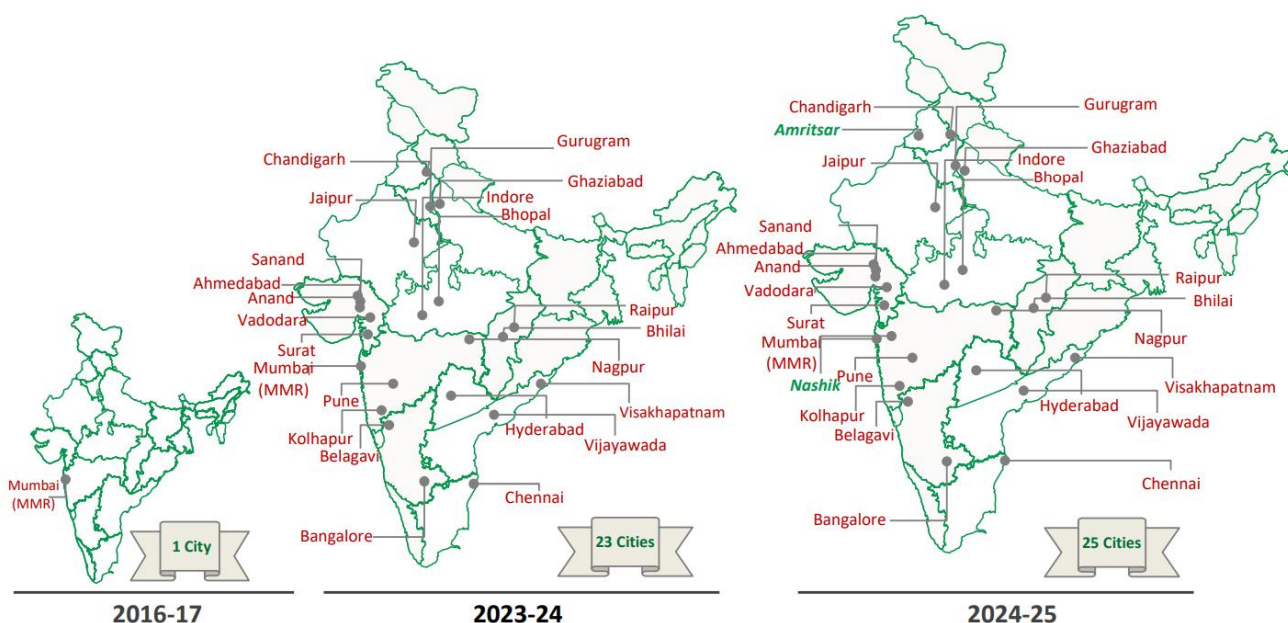
Source: Company, PL

Exhibit 10: Foods continue to remain highest contributor



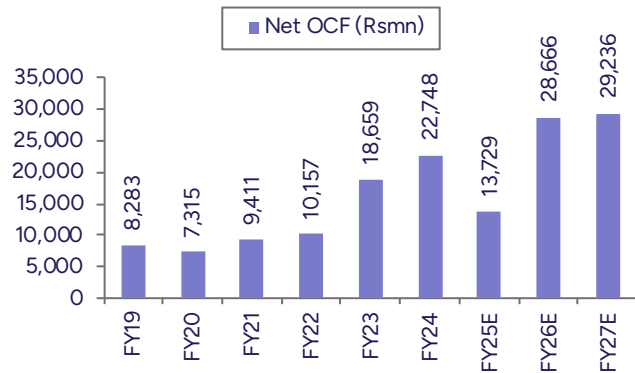
Source: Company, PL

Exhibit 11: D'Mart Ready – Presence continues to be in existing 25 cities



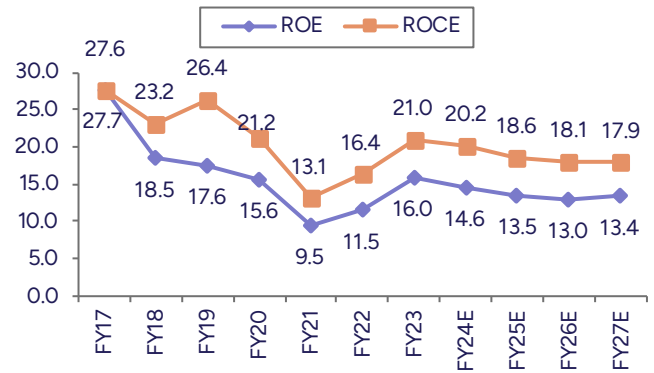
Source: Company, PL

Exhibit 12: CFO declined by 40% in FY25



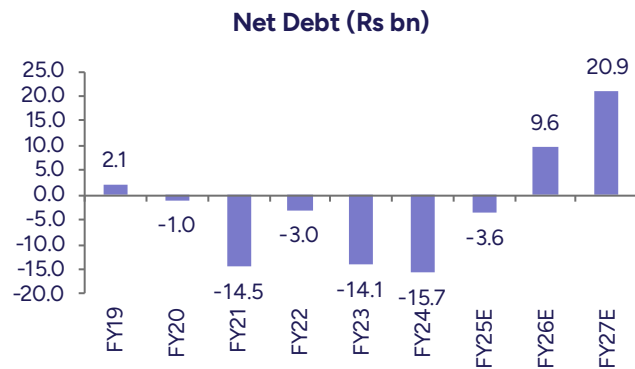
Source: Company, PL

Exhibit 13: ROE, ROCE slides gradually



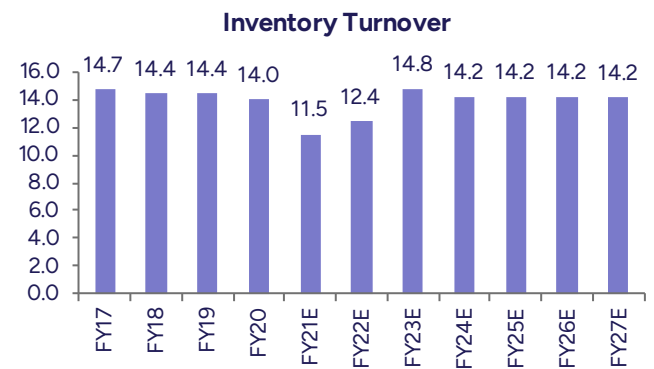
Source: Company, PL

Exhibit 14: D'Mart to turn debt positive in FY26



Source: Company, PL

Exhibit 15: Inventory turnover to remain stable at 14.2



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	5,07,888	5,93,581	7,16,883	8,66,923
YoY gr. (%)	18.6	16.9	20.8	20.9
Cost of Goods Sold	4,32,745	5,05,517	6,12,218	7,40,785
Gross Profit	75,143	88,064	1,04,665	1,26,137
Margin (%)	14.8	14.8	14.6	14.6
Employee Cost	9,061	11,659	14,635	17,869
Other Expenses	25,044	31,554	37,178	45,011
EBITDA	41,038	44,851	52,853	63,258
YoY gr. (%)	12.8	9.3	17.8	19.7
Margin (%)	8.1	7.6	7.4	7.3
Depreciation and Amortization	7,308	8,698	10,494	12,533
EBIT	33,730	36,153	42,358	50,725
Margin (%)	6.6	6.1	5.9	5.9
Net Interest	581	695	2,410	3,920
Other Income	1,465	1,243	928	1,211
Profit Before Tax	34,613	36,702	40,877	48,016
Margin (%)	6.8	6.2	5.7	5.5
Total Tax	9,257	9,652	10,996	12,916
Effective tax rate (%)	26.7	26.3	26.9	26.9
Profit after tax	25,356	27,050	29,881	35,100
Minority interest	6	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	25,351	27,050	29,881	35,100
YoY gr. (%)	6.6	6.7	10.5	17.5
Margin (%)	5.0	4.6	4.2	4.0
Extra Ord. Income / (Exp)	(88)	(88)	-	-
Reported PAT	25,262	26,961	29,881	35,100
YoY gr. (%)	6.4	6.7	10.8	17.5
Margin (%)	5.0	4.5	4.2	4.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	25,262	26,961	29,881	35,100
Equity Shares O/s (m)	651	651	651	651
EPS (Rs)	39.0	41.6	45.9	53.9

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	1,42,577	1,74,911	2,10,326	2,51,728
Tangibles	1,41,487	1,73,760	2,09,002	2,50,206
Intangibles	1,090	1,151	1,324	1,522
Acc: Dep / Amortization	24,601	31,046	38,839	48,157
Tangibles	23,814	30,184	37,892	47,111
Intangibles	787	861	947	1,046
Net fixed assets	1,17,976	1,43,866	1,71,487	2,03,571
Tangibles	1,17,673	1,43,576	1,71,110	2,03,095
Intangibles	304	290	376	476
Capital Work In Progress	9,352	10,994	12,093	13,302
Goodwill	783	783	783	783
Non-Current Investments	2,348	1,701	8,849	10,558
Net Deferred tax assets	(919)	(1,125)	(961)	(769)
Other Non-Current Assets	19,246	21,864	26,238	29,505
Current Assets				
Investments	1,067	13	14	15
Inventories	39,273	50,444	57,798	68,914
Trade receivables	1,664	1,538	1,964	2,375
Cash & Bank Balance	15,728	3,582	10,442	16,100
Other Current Assets	2,397	3,137	3,587	4,338
Total Assets	2,11,772	2,43,204	2,96,480	3,53,362
Equity				
Equity Share Capital	6,507	6,507	6,507	6,507
Other Equity	1,80,471	2,07,770	2,37,319	2,72,419
Total Network	1,86,978	2,14,278	2,43,826	2,78,926
Non-Current Liabilities				
Long Term borrowings	-	-	20,000	37,000
Provisions	92	127	171	224
Other non current liabilities	3,992	5,558	5,858	6,397
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	9,848	10,708	13,681	16,542
Other current liabilities	9,943	11,414	11,989	13,510
Total Equity & Liabilities	2,11,772	2,43,203	2,96,480	3,53,362

Source: Company Data, PL Research


Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	34,613	36,702	40,877	48,016
Add. Depreciation	7,308	8,698	10,494	12,533
Add. Interest	581	695	2,410	3,920
Less Financial Other Income	1,465	1,243	928	1,211
Add. Other	(2,302)	(172)	(11,290)	(4,575)
Op. profit before WC changes	40,201	45,922	42,491	59,894
Net Changes-WC	(1,725)	(12,772)	(2,696)	(8,572)
Direct tax	(9,257)	(9,652)	(10,996)	(12,916)
Net cash from Op. activities	29,218	23,498	28,799	38,405
Capital expenditures	(28,771)	(36,248)	(39,195)	(45,826)
Interest / Dividend Income	-	-	-	-
Others	867	966	(1)	(1)
Net Cash from Invt. activities	(27,904)	(35,282)	(39,196)	(45,828)
Issue of share cap. / premium	918	338	(332)	-
Debt changes	-	-	20,000	17,000
Dividend paid	-	-	-	-
Interest paid	(581)	(695)	(2,410)	(3,920)
Others	(6)	(6)	-	-
Net cash from Fin. activities	331	(362)	17,258	13,080
Net change in cash	1,645	(12,147)	6,861	5,658
Free Cash Flow	447	(12,751)	(10,396)	(7,421)

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	39.0	41.6	45.9	53.9
CEPS	50.2	54.9	62.0	73.2
BVPS	287.3	329.3	374.7	428.6
FCF	0.7	(19.6)	(16.0)	(11.4)
DPS	-	-	-	-
Return Ratio(%)				
RoCE	19.4	18.0	17.7	17.5
ROIC	17.3	15.1	14.8	15.0
RoE	14.6	13.5	13.0	13.4
Balance Sheet				
Net Debt : Equity (x)	(0.1)	0.0	0.0	0.1
Net Working Capital (Days)	22	25	23	23
Valuation(x)				
PER	104.2	97.7	88.4	75.3
P/B	14.1	12.3	10.8	9.5
P/CEPS	80.9	73.9	65.4	55.5
EV/EBITDA	64.0	58.8	50.2	42.1
EV/Sales	5.2	4.4	3.7	3.1
Dividend Yield (%)	-	-	-	-

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	1,40,691	1,44,445	1,59,726	1,48,719
YoY gr. (%)	18.6	14.4	17.7	16.9
Raw Material Expenses	1,18,759	1,22,897	1,36,204	1,27,658
Gross Profit	21,933	21,548	23,522	21,061
Margin (%)	15.6	14.9	14.7	14.2
EBITDA	12,213	10,938	12,172	9,551
YoY gr. (%)	18.0	8.8	8.7	1.2
Margin (%)	8.7	7.6	7.6	6.4
Depreciation / Depletion	1,928	2,078	2,281	2,409
EBIT	10,285	8,860	9,891	7,142
Margin (%)	7.3	6.1	6.2	4.8
Net Interest	160	163	182	190
Other Income	416	335	241	251
Profit before Tax	10,541	9,032	9,950	7,203
Margin (%)	7.5	6.3	6.2	4.8
Total Tax	2,805	2,438	2,715	1,695
Effective tax rate (%)	26.6	27.0	27.3	23.5
Profit after Tax	7,737	6,594	7,235	5,508
Minority interest	-	(2)	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	7,737	6,596	7,236	5,508
YoY gr. (%)	17.5	5.8	4.8	(2.2)
Margin (%)	5.5	4.6	4.5	3.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	7,737	6,596	7,236	5,508
YoY gr. (%)	17.5	5.8	4.8	(2.2)
Margin (%)	5.5	4.6	4.5	3.7
Other Comprehensive Income	(24)	(63)	(43)	41
Total Comprehensive Income	7,714	6,533	7,193	5,549
Avg. Shares O/s (m)	651	648	648	651
EPS (Rs)	11.9	10.2	11.2	8.5

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-25	Hold	3,942	4,054
2	04-Apr-25	Hold	3,942	4,158
3	13-Jan-25	Hold	3,964	3,686
4	08-Jan-25	Hold	4,300	3,843
5	13-Oct-24	Hold	4,748	4,573
6	07-Oct-24	Accumulate	5,166	4,738
7	30-Jul-24	Accumulate	5,104	5,027
8	13-Jul-24	Accumulate	5,104	4,944
9	09-Jul-24	BUY	5,106	4,853
10	06-May-24	BUY	5,031	4,612

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,094	2,394
2	Avenue Supermarts	Hold	3,942	4,054
3	Britannia Industries	BUY	5,881	5,179
4	Colgate Palmolive	Hold	2,650	2,440
5	Dabur India	Hold	494	459
6	Emami	Accumulate	709	584
7	Hindustan Unilever	Accumulate	2,601	2,325
8	ITC	Accumulate	524	413
9	Jubilant FoodWorks	Hold	678	682
10	Kansai Nerolac Paints	Accumulate	288	258
11	Marico	Accumulate	672	679
12	Metro Brands	Hold	1,162	1,046
13	Mold-tek Packaging	Accumulate	621	470
14	Nestle India	Accumulate	2,559	2,433
15	Pidilite Industries	Accumulate	3,318	2,931
16	Restaurant Brands Asia	Accumulate	74	67
17	Titan Company	BUY	3,695	3,122
18	Westlife Foodworld	Hold	777	706

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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