



Q4FY2025 Results Review

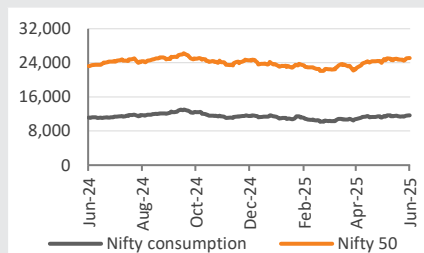
Sector:	Consumer Discretionary
Sector View:	Positive

Coverage universe

Company	CMP (Rs)	Reco	PT (Rs)
Aditya Birla Fashion & Retail	77	Buy	95
Trent	5,777	Buy	6,609
Iris Clothing	61	Positive	81
V2 Retail	1,820	Positive	2,293
Titan Company	3,541	Buy	4,155
Bata India	1,220	Hold	1,440
Relaxo Footwears	445	Hold	741
Jubilant Foodworks	684	Buy	816
Devyani International	172	Hold	180
Restaurant Brands Asia	81	Buy	99
Indian Hotels Company	766	Buy	917
Lemon Tree Hotels	140	Positive	189
Chalet Hotels	911	Positive	1,111
Samhi Hotels	220	Positive	244
Wonderla Holidays	668	Buy	890
Gokaldas Exports	943	Buy	1,140
KPR Mill	1,126	Buy	1,287
SP Apparels	830	Positive	1,054
Himatsingka Seide	151	Positive	210
Welspun Living	140	Buy	189
PVR-Inox	999	Hold	1,050
Saregama India	547	Positive	640
Zee Entertainment	133	Positive	168

Source: Company, Mirae Asset Sharekhan Research estimates
UR – Under Review

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Consumer Discretionary

Hotels, value retailers shine; QSRs and textile cos eye recovery

Summary

- Hotels, value retailers and jewellery cos continued to shine in Q4FY25 posting double-digit revenue growth and improved profitability on robust domestic demand and network expansion.
- Premium retailers, QSRs, footwear and textile players saw yet another muted quarter with subdued revenue growth and operating deleverage impacting margins.
- We expect hotels, value retailers and jewellery companies to maintain growth momentum, while premium retailers, QSRs, footwear and textiles cos would see a gradual recovery.
- Preferred picks**
 - Lifestyle fashion:** Titan, Trent and V2 Retail
 - Out-of-home discretionary:** Indian Hotels Company (IHCL), Lemon Tree Hotels, Samhi Hotels and Jubilant Foodworks.
 - Textiles:** Gokaldas Exports
 - Media & entertainment:** Saregama India

In Q4FY25, hotels continued their positive growth trajectory, while QSRs and textiles reported another subdued quarter, while lifestyle fashion companies posted a mixed bag performance. Hotels delivered a strong performance with companies in our coverage reporting a 15-25% y-o-y RevPar growth and sharp rise in margins backed by operating leverage and efficiencies. In the lifestyle fashion space, value retailers and jewellery companies maintained positive momentum, while premium retailers and footwear players continued to face sluggish demand. QSRs saw early signs of recovery with sequential improvement in SSSG for most players. Most textile companies reported muted revenue growth, while margins across companies were under pressure during the quarter.

- Strong Q4 for hotels, value retailers and jewellery:** Our hospitality universe (excluding Wonderla Holidays), reported y-o-y revenue growth of 24.4% aided by 15-25% y-o-y RevPar growth while EBITDA margins rose by 127 bps y-o-y led by operating leverage and improved efficiencies. Among value retailers, Trent continued to outperform peers (though its growth trajectory appears to be moderating on a high base and amid intensifying competition in the value fashion segment), driven by rapid store expansion (largely in Zudio) and mid single-digit SSSG, while V2 Retail delivered strong 24% SSSG. Strong wedding demand, higher gold prices and aggressive retail expansion aided Titan to post a ~19% y-o-y revenue growth, while margin expansion was supported by high gold prices and favourable mix.
- Muted Q4 for premium retailers, QSRs, footwear and textiles:** Premium retailers and footwear players continued to face headwinds from persistent inflationary pressures and a deceleration in urban discretionary spending. Bata/Relaxo posted a 1%/7% y-o-y revenue decline and 28%/15% y-o-y PAT decline in Q4. Our universe of QSRs reported a 22.7% y-o-y revenue growth largely due to inorganic expansion and store additions, while SSSG for most players remained subdued but witnessed early signs of improvement. Among channels, delivery channel remains strong, while dine-in is showing a gradual recovery aided by value-focused menu offerings and higher promotions. Our universe of textiles companies registered 6.7% y-o-y revenue growth and 149 bps y-o-y EBITDA margin decline as brands are not passing on the increased cost to customers.
- Outlook – Strong momentum in hotels and value retailers to continue; expect gradual recovery in QSRs and textile:** Hotel companies are expected to post strong performance over the next 3-4 years as room demand is likely to exceed room supply. In the near term, we expect store additions to be key growth driver for premium retailers, QSRs and footwear players. In the medium to long term, market share gains, higher traction on the online platform, a strong retail space expansion strategy and sustained expansion of product portfolio will help premium retailers, QSRs and footwear companies to post consistent growth. QSR companies with strong delivery model will continue to outperform. Textile companies are expected to see softness in demand in H1FY26 given the uncertain business environment, however, signing of the UK-India FTA is a key positive for the textiles industry. Moreover, long-term growth prospects of the Indian textile industry are strong, aided by augmentation of capacity with value-added products, China +1 and Bangladesh+1 factors, the government entering into a trade agreement in various countries, incremental benefits from the PLI scheme and market share gains in export markets.

Outlook

Valuation and preferred picks: Among lifestyle fashion players, we prefer Titan, Trent and V2 Retail because of focused strategies and consistent resilient performance in an uncertain environment. Among hotels, we like IHCL, Lemon Tree Hotels and Samhi Hotels for focused strategies towards room additions and reducing debt in the coming years. In QSRs, we like Jubilant Foodworks due to strong performance of delivery channel, asset-light expansion in the international markets through acquisition of DP Eurasia and scaling up of other businesses. In the textiles space, we prefer Gokaldas Exports as it is expected to post better performance in the coming years due to focus on scaling-up in new geographies and multiple industry tailwinds. We prefer Saregama as its current investments in new content to future-proof the business is expected to reap benefits over the medium to long term.

Q4FY2025 Leaders: Titan, Trent, V2 Retail, Indian Hotels Company, Samhi Hotels, Chalet Hotels, Lemon Tree Hotels

Q4FY2025 Laggards: Bata India, Relaxo Footwear, Wonderla Holidays, Himatsingka Seide, KPR Mills, Welspun Living

Preferred Picks:

- Lifestyle fashion:** Titan, Trent and V2 Retail
- Out-of-home discretionary:** Indian Hotels Company (IHCL), Lemon Tree Hotels, Samhi Hotels and Jubilant Foodworks
- Textiles:** Gokaldas Exports
- Media & entertainment:** Saregama India

Q4FY25 results

Companies	Net sales (Rs. crore)			EBITDA Margin (%)			Adjusted PAT (Rs. crore)		
	Q4 FY25	Q4 FY24	Y-o-Y (%)	Q4 FY25	Q4 FY24	Y-o-Y (bps)	Q4 FY25	Q4 FY24	Y-o-Y (%)
Lifestyle fashion									
Aditya Birla Fashion & Retail	1,719.5	1,575.1	9.2	11.9	2.2	970	-155.5	-293.0	-
Trent	4,106.1	3,186.9	28.8	16.0	15.0	101	349.9	288.8	21.2
Iris Clothings	40.2	42.1	-4.5	20.2	16.8	335	4.5	3.5	28.6
V2 Retail	498.5	296.0	68.4	11.6	10.6	99	6.4	3.6	78.8
Titan Company	14,916.0	12,494.0	19.4	10.3	9.5	77	871.0	771.0	13.0
Bata India	787.8	797.7	-1.2	22.3	22.5	-16	43.6	60.3	-27.8
Relaxo Footwear	695.2	747.2	-7.0	15.4	16.1	-70	52.1	61.4	-15.1
Total	22,763	19,139	18.9	12.1	10.7	140	1,172	896	30.9
QSR									
Jubilant Foodworks	2,103.2	1,572.8	33.7	18.5	19.7	-126	49.5	75.9	-34.8
Devyani International	1,212.6	1,047.1	15.8	16.6	16.6	-4	-16.8	-17.5	-
Restaurant Brands Asia	632.5	597.1	5.9	11.6	11.6	-2	-60.4	-92.1	-
Total	3,948	3,217	22.7	16.8	17.2	-42	-28	-34	-17.5
Hospitality									
Indian Hotels Company	2,425.1	1,905.3	27.3	35.3	34.6	70	541.9	393.1	37.9
Lemon Tree Hotels	378.5	327.3	15.6	53.9	52.4	154	108.8	74.0	47.0
Chalet Hotels	522.0	418.3	24.8	46.3	45.7	60	123.8	88.5	40.0
Samhi Hotels	318.8	279.2	14.2	38.1	30.6	750	65.3	7.7	750.8
Wonderla Holidays	96.8	99.7	-2.9	21.7	36.8	-	1.9	4.2	-54.7
Total	3,741	3,030	23.5	38.6	37.8	85	842	567	48.4
Textile									
Gokaldas Exports	1,015.3	812.4	25.0	11.8	11.3	47	52.9	51.0	3.7
KPR Mill	1,769.0	1,696.7	4.3	18.8	19.7	-94	204.6	213.6	-4.2
SP Apparels	399.2	295.1	35.3	13.6	13.8	-24	30.4	28.5	6.8
Himatsingka Seide	656.9	696.9	-5.7	17.9	20.8	-282	87.8	23.7	-
Welspun Living	2,645.9	2,575.2	2.7	11.9	13.9	-201	133.0	130.5	1.9
Total	6,486	6,076	6.7	14.5	16.0	-149	509	447	13.7
Media & Entertainment									
PVR-Inox	1,249.8	1,256.4	-0.5	-0.8	0.1	-94	-105.8	-90.1	17.4
Saregama	240.8	263.0	-8.4	33.4	26.6	674	60.1	54.0	11.4
Zee Entertainment	2,184.1	2,169.9	0.7	13.1	9.7	337	176.1	39.8	-
Total	3,675	3,689	-0.4	9.7	7.6	203	130	4	-
Grand total	36,665	31,935	14.8	15.0	13.9	107	2,653	1,914	38.6

Source: Company; Mirae Asset Sharekhan Research

Valuations

Company	CMP (Rs.)	EV/EBITDA (x)			PE (x)			Reco.	Price Target (Rs.)
		FY25	FY26E	FY27E	FY25	FY26E	FY27E		
Lifestyle fashion									
Aditya Birla Fashion & Retail	77	20.3	19.5	15.8	-	-	-	Buy	95
Trent	5,777	67.1	50.7	41.6	-	95.5	77.4	Buy	6,609
Iris Clothings	61	16.4	11.7	9.1	29.7	20.6	15.5	Positive	81
V2 Retail	1,820	27.8	17.2	12.1	87.4	33.9	20.6	Positive	2,293
Titan Company	3,541	52.6	44.2	36.5	84.3	65.4	54.5	Buy	4,155
Bata India	1,220	19.2	16.7	15.0	56.2	48.6	44.3	Hold	1,440
Relaxo Footwears	445	26.9	22.3	19.4	53.9	42.2	36.3	Hold	741
QSR									
Jubilant Foodworks	684	31.6	23.8	19.7	-	84.8	56.7	Buy	816
Devyani International	172	20.2	16.3	12.9	-	81.7	55.2	Hold	180
Restaurant Brands Asia	81	16.8	12.9	10.2	-	-	-	Buy	99
Hospitality									
Indian Hotels Company	766	33.4	26.9	23.0	63.5	51.4	42.0	Buy	917
Lemon Tree Hotels	140	17.6	14.7	12.4	45.5	33.9	25.3	Positive	189
Chalet Hotels	911	25.4	19.5	16.0	55.2	40.0	30.7	Positive	1,111
Samhi Hotels	220	11.7	10.1	8.6	43.7	28.3	19.1	Positive	244
Wonderla Holidays	668	18.9	15.0	11.3	43.6	36.7	26.9	Buy	890
Textile									
Gokaldas Exports	943	19.7	14.7	10.7	42.5	28.1	18.7	Buy	1,140
KPR Mill	1,126	30.8	23.5	19.8	47.2	35.6	29.7	Buy	1,287
SP Apparels	830	11.2	8.3	6.8	17.6	13.1	10.8	Positive	1,054
Himatsingka Seide	151	6.9	5.8	4.9	11.8	6.3	4.9	Positive	210
Welspun Living	140	10.3	8.2	7.0	18.3	14.7	12.6	Buy	189
Media & Entertainment									
PVR-Inox	999	28.0	12.1	10.5	-	44.9	29.4	Hold	1,050
Saregama India	547	35.2	27.7	21.7	51.7	43.1	34.1	Positive	640
Zee Entertainment	133	8.5	4.7	3.8	16.5	12.3	10.8	Positive	168

Source: Company; Mirae Asset Sharekhan Research

Note: Estimates are as per last published updates

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