



Q1FY2026 Results Preview

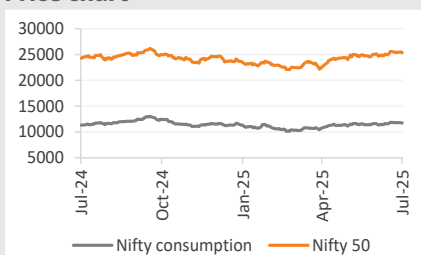
Sector:	Consumer Discretionary
Sector View:	Positive

Coverage universe

Company	CMP (Rs)	Reco	PT (Rs)
Aditya Birla Fashion & Retail	78	Buy	95
Trent	5,428	Buy	6,781
Iris Clothings	33	Positive	80
V2 Retail	1,965	Positive	2,293
Titan Company	3,418	Buy	4,155
Bata India	1,262	Hold	1,440
Relaxo Footwears	518	Hold	741
Jubilant Foodworks	688	Buy	816
Devyani International	171	Hold	180
Restaurant Brands Asia	84	Buy	99
Indian Hotels Company	743	Buy	917
Lemon Tree Hotels	158	Positive	190
Chalet Hotels	869	Positive	1,111
Samhi Hotels	231	Positive	244
Wonderla Holidays	631	Buy	890
Gokaldas Exports	920	Buy	1,140
KPR Mill	1,192	Buy	1,287
SP Apparels	836	Positive	1,052
Himatsingka Seide	156	Positive	210
Welspun Living	143	Buy	189
PVR-Inox	998	Hold	1,050
Saregama India	499	Positive	640
Zee Entertainment	142	Positive	168

Source: Company, Mirae Asset Sharekhan Research estimates

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Consumer Discretionary

Momentum to continue in hotels, value fashion

Summary

- Hotels would sustain double-digit revenue growth and margin expansion leading to sharp rise in PAT. Value retailers to sustain strong double-digit revenue growth.
- Lifestyle fashion companies set to post another subdued quarter on continued weakness in discretionary demand, preponement of Eid to Q4FY25 and early monsoon. Muted demand and heightened competitive intensity will continue to hit QSR players.
- Hotels and value fashion players are likely to maintain growth momentum, while we expect recovery in lifestyle fashion, QSRs and textiles to be gradual.
- Preferred picks**
 - Lifestyle fashion:** V2 Retail
 - Out-of-home discretionary:** Indian Hotels Company, Lemon Tree Hotels, Samhi Hotels, and Jubilant FoodWorks
 - Textiles:** Welspun Living and Gokaldas Exports
 - Media & entertainment:** Saregama India

In Q1FY26, value retailers (V2 Retail, Trent - Zudio) are expected to continue strong momentum, while premium retailers and footwear players (Bata and Relaxo) will continue to post subdued performance. We expect our universe of lifestyle fashion companies (ex-ABFRL) to register a 18% y-o-y revenue growth. Our universe of QSRs is expected to clock a 12% y-o-y revenue growth, which will be largely driven by store additions, while like-for-like (LFL) growth is expected to be muted for another quarter amid weak demand and higher competitive intensity. We expect our universe of hotels to post a 25% y-o-y revenue growth driven by higher weddings (on a low base of Q1FY25), healthy traction in MICE activities and a rise in domestic tourism. Our universe of textile companies is likely to post a ~7% y-o-y revenue growth.

- Momentum sustains in value fashion companies and hotels:** In the lifestyle fashion space, value players are expected to deliver another quarter of strong performance supported by strong demand for value fashion, while premium players are expected to continue subdued performance. Hotel companies in our coverage are expected to deliver double-digit y-o-y revenue growth in the range of 10-28% aided by growth in ARR and a marginal rise in occupancy. Margins are likely to rise 40-150 bps y-o-y driven by cost controls and operating leverage. Strong revenue growth and rise in margins would help PAT of hotels surge.
- Another muted quarter for lifestyle fashion companies and QSRs:** Muted demand, preponement of Eid to Q4FY25 and early monsoons would lead to muted SSSG across lifestyle fashion players. Subdued demand and increased competitive intensity will continue to impact performance of QSRs. Hence, store additions will continue to drive growth for lifestyle fashion companies and QSRs in Q1FY26. Further, margins of lifestyle fashion companies and QSRs is likely to be impacted due to negative operating leverage.
- Outlook - Hotels poised for continued strong growth; lifestyle fashion, QSR, and textile cos to recover gradually:** Hotels are expected to maintain robust performance in the near term fuelled by strong domestic leisure travel, recovering FTAs, and increasing corporate travel, all contributing to sustained high room demand and higher average room rates. Limited new room supply anticipated over the next 2-3 years further supports a positive outlook for hotel companies with updated business models. In contrast, a significant rebound in the lifestyle fashion and QSR sectors is expected to be gradual due to subdued overall demand stemming from reduced consumer discretionary spending and heightened competition. In the near term, textile companies are expected to face headwinds due to ongoing uncertainty around potential US tariff actions. However, the recently concluded UK-India agreement is positive and is likely to help textile companies to diversify revenues and reduce dependence on the US. The sector's medium-to-long-term growth prospects are promising driven by factors such as the China + 1 strategy, government trade agreements, increasing benefits from the PLI scheme, and opportunities for market share gains in export markets.

Valuation and preferred picks

We prefer companies with a scalable business model, strong earnings visibility, and lean balance sheets. V2 Retail is our preferred pick in the value fashion space due to its consistent strong performance for past few quarters and good outlook supported by strong growth expected in the value fashion category. In the hospitality space, we like IHCL on account of strong industry tailwinds and aggressive room expansion strategy in key markets and Lemon Tree Hotels because of its robust development pipeline. Discounted valuations and a consistent growth outlook make Samhi Hotels an interesting play in the hospitality space. We prefer Jubilant FoodWorks due to its strategy of asset-light expansion and expected scale-up of emerging businesses. In the textile space, we prefer Welspun Living and Gokaldas Exports, which are expected to post better performance in the coming years due to focus on scaling up in new geographies supported by industry tailwinds.

Q1FY2026 Leaders: V2 Retail, Jubilant Foodworks, Indian Hotels and Chalet Hotels

Q1FY2026 Laggards: Bata India, Relaxo Footwear and Himatsingka Seide

Preferred Picks:

- Lifestyle fashion:** V2 Retail
- Out-of-home discretionary:** Indian Hotels Company, Lemon Tree Hotels, Samhi Hotels and Jubilant FoodWorks
- Textile:** Welspun Living and Gokaldas Exports
- Media & entertainment:** Saregama India

Q1FY26 Result estimates

Particulars	Net sales (Rs. crore)			EBITDA Margin (%)			Adjusted PAT (Rs. crore)		
	Q1 FY26E	Q1 FY25	Y-o-Y (%)	Q1 FY26E	Q1 FY25	Y-o-Y (bps)	Q1 FY26E	Q1 FY25	Y-o-Y (%)
Lifestyle fashion									
Aditya Birla Fashion and Retail	1,788	-	-	4.1	-	-	-143	-	-
Trent	4,790	3,992	20.0	15.2	15.3	-5	368	342	7.4
Iris Clothings	32	31	2.0	18.1	18.9	-72	2	2	-7.9
V2 Retail	628	415	51.3	14.7	13.4	130	29	16	78.9
Titan Company	15,658	13,266	18.0	10.1	9.4	73	963	715	34.8
Bata India	954	945	1.0	20.6	21.2	-54	62	78	-20.6
Relaxo Footwears	765	748	2.2	12.1	13.2	-108	40	44	-10.8
Total	22,828	19,397	17.7	11.8	11.4	41	1,464	1,198	22.2
QSR									
Jubilant Foodworks	2,262	1,933	17.0	19.1	19.8	-75	91	63	44.1
Devyani International	1,345	1,222	10.1	17.2	18.3	-104	12	22	-46.7
Restaurant Brands Asia	656	647	1.4	10.7	9.7	108	-66	-52	25.7
Total	4,263	3,802	12.1	17.2	17.6	-39	38	34	12.1
Hospitality									
Indian Hotels Company	1,992	1,550	28.5	29.5	29.0	45	334	234	42.7
Lemon Tree Hotels	314	268	17.2	43.5	42.9	53	37	20	85.3
Chalet Hotels	456	361	26.4	39.9	38.8	108	75	61	23.4
Samhi Hotels	276	250	10.4	34.3	32.8	150	15	4	-
Wonderla Holidays	172	173	-0.5	54.9	56.2	-132	64	68	-5.6
Total	3,210	2,602	23.4	34.1	34.0	11	525	387	35.7
Textile									
Gokaldas Exports	1,119	932	20.0	9.9	9.6	35	42	38	11.5
KPR Mill	1,675	1,610	4.1	19.4	19.6	-14	207	203	1.6
SP Apparels	339	245	38.1	13.6	13.5	14	22	18	19.7
Himatsingka Seide	650	735	-11.6	19.2	19.9	-71	30	21	44.5
Welspun Living	2,688	2,536	6.0	12.2	13.5	-122	156	186	-15.9
Total	6,471	6,059	6.8	14.5	15.3	-80	456	465	-2.0
Media & Entertainment									
PVR-Inox	1,477	1,191	24.1	5.2	-3.2	838	-41	-137	-70.1
Saregama India	245	205	19.2	31.3	25.1	624	55	37	47.7
Zee	2,003	2,131	-6.0	13.0	12.8	25	177	155	13.7
Total	3,725	3,527	5.6	11.1	8.1	302	190	56	-
Grand total	40,496	35,386	14.4	14.5	14.1	45	2,673	2,140	24.9

Source: Company; Mirae Asset Sharekhan estimates

Valuations

Company	CMP (Rs.)	Reco.	Price Target (Rs.)	EV/EBITDA (x)			P/E (x)		
				FY25	FY26E	FY27E	FY25	FY26E	FY27E
Lifestyle fashion									
Aditya Birla Fashion & Retail	78	Buy	95	20.4	19.6	15.9	-	-	-
Trent	5,428	Buy	6,781	63.0	48.5	39.8	-	95.1	76.5
Iris Clothings	33	Positive	80	9.2	6.5	5.1	16.0	11.1	8.3
V2 Retail	1,965	Positive	2,293	29.8	18.4	12.9	94.3	36.6	22.2
Titan Company	3,418	Buy	4,155	50.8	42.7	35.2	81.4	63.1	52.7
Bata India	1,262	Hold	1,440	19.8	17.2	15.5	58.1	50.2	45.8
Relaxo Footwears	518	Hold	741	31.2	25.9	22.6	62.7	49.1	42.3
QSR									
Jubilant Foodworks	688	Buy	816	31.8	23.9	19.8	-	85.3	57.0
Devyani International	171	Hold	180	20.1	16.2	12.8	-	81.3	54.9
Restaurant Brands Asia	84	Buy	99	17.4	13.4	10.6	-	-	-
Hospitality									
Indian Hotels Company	743	Buy	917	32.4	26.1	22.4	61.6	49.9	40.7
Lemon Tree Hotels	158	Positive	190	19.9	16.6	14.0	51.3	38.2	28.5
Chalet Hotels	869	Positive	1,111	24.2	18.5	15.2	52.7	38.2	29.3
Samhi Hotels	231	Positive	244	12.3	10.6	9.1	45.8	29.6	20.1
Wonderla Holidays	631	Buy	890	17.7	14.0	10.6	41.2	34.6	25.4
Textile									
Gokaldas Exports	920	Buy	1,140	19.3	14.4	10.5	41.5	27.5	18.2
KPR Mill	1,192	Buy	1,287	32.6	25.0	21.0	50.0	37.7	31.4
SP Apparels	836	Positive	1,052	11.3	8.3	6.8	17.7	13.2	10.9
Himatsingka Seide	156	Positive	210	7.0	5.9	5.0	15.5	8.3	6.5
Welspun Living	143	Buy	189	10.5	8.4	7.2	18.8	15.1	13.0
Media & Entertainment									
PVR-Inox	998	Hold	1,050	28.0	13.6	10.5	-	56.4	27.5
Saregama India	499	Positive	640	32.5	25.5	20.0	47.2	39.3	31.1
Zee Entertainment	142	Positive	168	11.0	7.5	5.6	8.0	10.0	12.5

Source: Company; Mirae Asset Sharekhan estimates

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