# Financial Modelling

### Overview

This document contains two project options. Students are required to choose one project, complete it, and submit their work for certification in the Financial Modelling course. Below are the details of each project, including overviews, tasks, and submission guidelines.

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## Project 1: D-Mart Case Study

### Overview

D-Mart is a brand selling multiple products under one roof. The D-Mart Case Study consists of Financial Model and the Valuation part including ratio analysis. This project demands creating this Financial Model on Excel along with ratio analysis and creating different types of visualization charts which can help give a bird eye view of the analysis. This would help you to employ your analytical, excel and presentation skills.

### Tasks

- Create 4 sheets in the same excel workbook.
- In Sheet 1, give a general overview of the company, the year of its establishment and the segment into which it operates including the names of its directors.
- In Sheet 2, prepare the given Financial Model of D- Mart in excel using 3 statement model (including schedules), applying references & formulas as we have done in class.
- In Sheet 3, do the ratio analysis on that Financial Model of D-Mart prepared in Sheet 2. Minimum 10 ratios needs to be computed. Along with ratio computation for the given number of years, mention the analysis in the same manner we have done in the class.
- In Sheet 4, perform visual representation by making charts, graphs, bar diagrams and selecting suitable charts as per the information presented in Sheet 2 and Sheet 3. The charts selected should be suitable as per the information presented.
- Share the Workbook link in the provided form.

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BSE: 540376 | NSE: DMART

# FINANCIAL MODELING REPORT

(A Comprehensive DCF and Comparable Comps Valuation)

DMart

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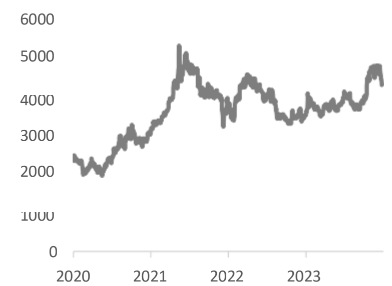
## AVENUE SUPERMARTS LTD - One Page Profile

Founded in 2000 by Radhakishan Damani, DMart is a chain of hypermarkets and supermarkets in India, operated by Avenue Supermarts Ltd. Headquartered in Mumbai, DMart offers a wide range of products, including groceries, apparel, home appliances, and personal care items. Known for its efficient supply chain management and competitive pricing, DMart has rapidly expanded its footprint across India, becoming one of the leading retail chains in the country.

*INR (Crores)*

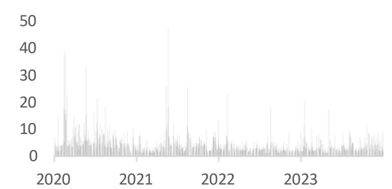
| Key Financial Metrics | Mar-20 | Mar-21 | Mar-22 | Mar-23 |
|---|---|---|---|---|
| Total Sales | 24,930 | 24,337 | 31,090 | 42,967 |
| *Sales Growth (y-o-y)* | *24.32%* | *-2.38%* | *27.74%* | *38.20%* |
| Gross Profit | 2,536 | 2,325 | 3,061 | 4,404 |
| GP Margins (%) | 10.17% | 9.55% | 9.85% | 10.25% |
| EBITDA Margin (%) | 8.78% | 7.97% | 8.41% | 8.77% |
| EBIT Margin (%) | 7.29% | 6.32% | 6.84% | 7.30% |
| Net Profit Margins(%) | 5.22% | 4.52% | 4.80% | 5.54% |
| Earnings Per Share (In Rs.) | 20.08 | 16.97 | 23.04 | 36.69 |
| *EPS Growth (y-o-y)* | *38.89%* | *-15.49%* | *35.74%* | *59.24%* |

### Share Price - 5Y




| Key Financial Ratios | Mar-20 | Mar-21 | Mar-22 | Mar-23 |
|---|---|---|---|---|
| Price to Earnings | 108.91x | 168.45x | 173.75x | 92.70x |
| EV/EBITDA | 64.86x | 94.96x | 99.27x | 58.34x |
| EV/Sales | 5.71x | 7.63x | 8.38x | 5.13x |
| Price to Book value | 12.79x | 15.20x | 18.96x | 13.71x |
| Return on Equity (%) | 11.74% | 9.02% | 10.91% | 14.79% |
| Return on Capital Employed (%) | 15.89% | 12.13% | 14.79% | 18.70% |

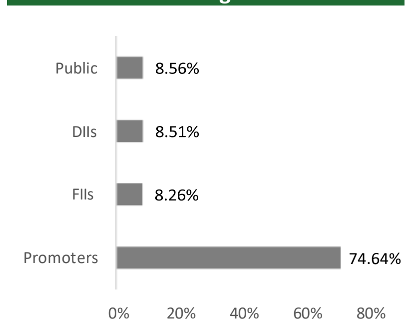
### Volume - 5Y




*(In Millions)*

| Top 10 Shareholders | Shares | Holding (%) | Market value |
|---|---|---|---|
| Radhakishan Shivkishan Damani | 149.85 | 23.0 | 6,44,670 |
| Bright Star Investments Pvt Ltd | 88.75 | 13.6 | 3,81,816 |
| Gopikishan Shivkishan Damani | 36.47 | 5.6 | 1,56,895 |
| Gopikishan S. Damani And Radhakishan S. Damani (On | 30.96 | 4.8 | 1,33,175 |
| Gopikishan S. Damani And Radhakishan S. Damani (On | 30.96 | 4.8 | 1,33,175 |
| Radhakishan S. Damani And Shrikantadevi Damani (On | 30.96 | 4.8 | 1,33,175 |
| Radhakishan S. Damani And Shrikantadevi Damani (On | 30.96 | 4.8 | 1,33,175 |
| Radhakishan S. Damani And Shrikantadevi Damani (On | 30.96 | 4.8 | 1,33,175 |
| Manjri Chandak | 16.06 | 2.5 | 69,113 |
| Madhu Abhay Chandak | 16.06 | 2.5 | 69,113 |

### Shareholding Pattern




| Managerial Remuneration | Designation | % Change | X of Median Salary |
|---|---|---|---|
| Mr. Ramesh Damani | Chairman | - | 10: 1 |
| Mr. Ignatius Navil Noronha | MD & CEO | - | 134: 1 |
| Mr. Ignatius Navil Noronha | CFO | 69.75 | - |
| Mrs. Ashu Gupta | Company Secretary | 28.92 | - |

*The median remuneration of the Company for all its employees is `338,685/- for the financial year 2022-23. For calculation of median remuneration, the employee count taken is 9,625 which comprises employees who have served for the whole of the financial year 2022-23.*

| Capital Structure | |
|---|---|
| Share Price | 4302.15 |
| Number Of Shares O/s | 64.83 |
| **Market Capitalization** | **278908.4** |
| Less: Cash | 1408.33 |
| Add: Debt | 642.98 |
| Add: Minority Interest | - |
| **Enterprise Value** | **278143** |

### Future Vision

- DMart isn't settling for small gains. They have a fivefold store expansion plan, aiming to open over 1200 new stores across India, significantly increasing their national footprint and market share.
- While online retail presents challenges, DMart recognizes its importance. They're likely to invest in expanding their online presence beyond their current Mumbai base, catering to the growing e-commerce demand.
- DMart isn't afraid to experiment. Trials with smaller store formats in areas with expensive real estate showcase their adaptability. This allows them to cater to diverse customer needs and market conditions effectively.
- DMart might be looking to broaden its horizons. Experiments like selling pizzas suggest they're open to venturing into prepared food options, potentially catering to evolving customer preferences and increasing basket size.

# AVENUE SUPERMARTS LTD

**NSE: DMART| BSE: 540376**

D Mart

## *HISTORICAL FINANCIAL STATEMENT*

### Income Statement

| **Years** | **Mar-15** | **Mar-16** | **Mar-17** | **Mar-18** | **Mar-19** | **Mar-20** | **Mar-21** | **Mar-22** | **Mar-23** |
|---|---|---|---|---|---|---|---|---|---|
| Sales | ₹ 6,459.7 | ₹ 8,600.8 | ₹ 11,925.4 | ₹ 15,121.0 | ₹ 20,052.9 | ₹ 24,930.2 | ₹ 24,337.5 | ₹ 31,089.9 | ₹ 42,967.2 |
| *Sales Growth* | - | *33.15%* | *38.65%* | *26.80%* | *32.62%* | *24.32%* | *-2.38%* | *27.74%* | *38.20%* |
| COGS | ₹ 5,835.9 | ₹ 7,773.2 | ₹ 10,706.0 | ₹ 13,413.8 | ₹ 18,009.5 | ₹ 22,394.3 | ₹ 22,012.9 | ₹ 28,028.5 | ₹ 38,563.3 |
| *COGS % Sales* | *90.34%* | *90.38%* | *89.77%* | *88.71%* | *89.81%* | *89.83%* | *90.45%* | *90.15%* | *89.75%* |
| **Gross Profit** | **₹ 623.8** | **₹ 827.6** | **₹ 1,219.4** | **₹ 1,707.2** | **₹ 2,043.3** | **₹ 2,535.9** | **₹ 2,324.6** | **₹ 3,061.5** | **₹ 4,403.9** |
| *Gross Profit % Sales* | *9.66%* | *9.62%* | *10.23%* | *11.29%* | *10.19%* | *10.17%* | *9.55%* | *9.85%* | *10.25%* |
| Selling & General Expenses | 147.2 | 146.1 | 222.5 | 266.6 | 361.7 | 347.6 | 385.3 | 445.5 | 637.5 |
| *S&G Exp % Sales* | *2.28%* | *1.70%* | *1.87%* | *1.76%* | *1.80%* | *1.39%* | *1.58%* | *1.43%* | *1.48%* |
| **EBITDA** | **₹ 476.5** | **₹ 681.5** | **₹ 996.9** | **₹ 1,440.6** | **₹ 1,681.6** | **₹ 2,188.3** | **₹ 1,939.3** | **₹ 2,616.0** | **₹ 3,766.4** |
| *EBITDA Margins* | *7.38%* | *7.92%* | *8.36%* | *9.53%* | *8.39%* | *8.78%* | *7.97%* | *8.41%* | *8.77%* |
| Interest | ₹ 72.4 | 91.3 | 122.0 | 59.5 | 47.2 | ₹ 69.1 | ₹ 41.7 | ₹ 53.8 | ₹ 67.4 |
| *Interest % Sales* | *1.12%* | *1.06%* | *1.02%* | *0.39%* | *0.24%* | *0.28%* | *0.17%* | *0.17%* | *0.16%* |
| Depreciation | ₹ 81.5 | ₹ 98.4 | ₹ 127.8 | ₹ 159.0 | ₹ 212.5 | ₹ 374.4 | ₹ 414.2 | ₹ 498.1 | ₹ 638.9 |
| *Depreciation % Sales* | *1.26%* | *1.14%* | *1.07%* | *1.05%* | *1.06%* | *1.50%* | *1.70%* | *1.60%* | *1.49%* |
| **EBT** | **₹ 322.6** | **₹ 491.7** | **₹ 747.1** | **₹ 1,222.1** | **₹ 1,421.9** | **₹ 1,744.8** | **₹ 1,483.5** | **₹ 2,064.1** | **₹ 3,060.1** |
| *EBT % Sales* | *4.99%* | *5.72%* | *6.26%* | *8.08%* | *7.09%* | *7.00%* | *6.10%* | *6.64%* | *7.12%* |
| Tax | ₹ 110.9 | ₹ 171.5 | ₹ 268.3 | ₹ 415.8 | ₹ 519.5 | ₹ 443.8 | ₹ 384.0 | ₹ 571.7 | ₹ 681.8 |
| *Effective Tax Rate* | *34.38%* | *34.87%* | *35.91%* | *34.02%* | *36.53%* | *25.44%* | *25.89%* | *27.70%* | *22.28%* |
| **Net Profit** | **₹ 211.7** | **₹ 320.2** | **₹ 478.8** | **₹ 806.3** | **₹ 902.5** | **₹ 1,301.0** | **₹ 1,099.4** | **₹ 1,492.4** | **₹ 2,378.3** |
| *Net Profit Margins* | *3.28%* | *3.72%* | *4.01%* | *5.33%* | *4.50%* | *5.22%* | *4.52%* | *4.80%* | *5.54%* |
| No. Of Equity Shares | ₹ 56.2 | ₹ 56.2 | ₹ 62.4 | ₹ 62.4 | ₹ 62.4 | ₹ 64.8 | ₹ 64.8 | ₹ 64.8 | ₹ 64.8 |
| Earnings Per Share | ₹ 3.8 | ₹ 5.7 | ₹ 7.7 | ₹ 12.9 | ₹ 14.5 | ₹ 20.1 | ₹ 17.0 | ₹ 23.0 | ₹ 36.7 |
| *EPS Growth %* | | *51.26%* | *34.52%* | *68.40%* | *11.93%* | *38.89%* | *-15.49%* | *35.74%* | *59.24%* |
| Dividend Per Share | - | - | - | - | - | - | - | - | - |
| *Dividend Payout Ratio* | - | - | - | - | - | - | - | - | - |
| Retained Earning | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

### Balance Sheet

| **Years** | **Mar-15** | **Mar-16** | **Mar-17** | **Mar-18** | **Mar-19** | **Mar-20** | **Mar-21** | **Mar-22** | **Mar-23** |
|---|---|---|---|---|---|---|---|---|---|
| Equity Share | ₹ 561.5 | ₹ 561.5 | ₹ 624.1 | ₹ 624.1 | ₹ 624.1 | ₹ 647.8 | ₹ 647.8 | ₹ 647.8 | ₹ 648.3 |
| Reserves | ₹ 637.7 | ₹ 958.9 | ₹ 3,217.7 | ₹ 4,045.0 | ₹ 4,963.4 | ₹ 10,432.0 | ₹ 11,535.9 | ₹ 13,029.9 | ₹ 15,430.4 |
| Borrowings | ₹ 904.3 | ₹ 1,192.3 | ₹ 1,497.3 | ₹ 439.3 | ₹ 700.2 | ₹ 333.2 | ₹ 392.7 | ₹ 646.9 | ₹ 643.0 |
| Other Liabilities | ₹ 251.4 | ₹ 388.8 | ₹ 480.2 | ₹ 539.9 | ₹ 717.9 | ₹ 663.2 | ₹ 1,078.6 | ₹ 1,146.4 | ₹ 1,382.8 |
| **Total Liabilities** | **₹ 2,354.8** | **₹ 3,101.6** | **₹ 5,819.3** | **₹ 5,648.2** | **₹ 7,005.5** | **₹ 12,076.2** | **₹ 13,655.1** | **₹ 15,471.0** | **₹ 18,104.5** |
| Fixed Asset Net Block | ₹ 1,528.1 | ₹ 2,093.5 | ₹ 2,577.8 | ₹ 3,400.0 | ₹ 4,400.4 | ₹ 5,948.0 | ₹ 7,008.8 | ₹ 9,260.0 | ₹ 11,340.5 |
| Capital Work in Progress | ₹ 98.1 | ₹ 81.7 | ₹ 152.9 | ₹ 147.1 | ₹ 376.8 | ₹ 364.4 | ₹ 1,019.6 | ₹ 1,129.3 | ₹ 829.2 |
| Investments | ₹ 15.2 | ₹ 29.3 | ₹ 25.7 | ₹ 68.2 | ₹ 16.5 | ₹ 14.7 | ₹ 3.0 | ₹ 5.9 | ₹ 202.2 |
| Other Assets | ₹ 128.7 | ₹ 181.8 | ₹ 209.8 | ₹ 275.9 | ₹ 319.7 | ₹ 3,674.2 | ₹ 1,886.3 | ₹ 1,967.6 | ₹ 1,018.7 |
| Total Non Current | ₹ 1,770.1 | ₹ 2,386.4 | ₹ 2,966.1 | ₹ 3,891.1 | ₹ 5,113.4 | ₹ 10,001.3 | ₹ 9,917.6 | ₹ 12,362.9 | ₹ 13,390.6 |
| Inventory | 539.61 | 671.69 | 947.9 | 1163.45 | 1608.65 | 1947.4 | 2248.28 | 2742.66 | 3243.48 |
| Receivables | ₹ 7.1 | ₹ 8.4 | ₹ 21.0 | ₹ 33.5 | ₹ 64.4 | ₹ 19.6 | ₹ 43.6 | ₹ 66.9 | ₹ 62.2 |
| Cash & Bank | ₹ 38.0 | ₹ 35.1 | ₹ 1,884.3 | ₹ 560.2 | ₹ 219.1 | ₹ 107.9 | ₹ 1,445.6 | ₹ 298.6 | ₹ 1,408.3 |
| Total Current Asset | ₹ 584.7 | ₹ 715.2 | ₹ 2,853.2 | ₹ 1,757.2 | ₹ 1,892.1 | ₹ 2,074.8 | ₹ 3,737.4 | ₹ 3,108.1 | ₹ 4,714.0 |
| **Total Assets** | **₹ 2,354.8** | **₹ 3,101.6** | **₹ 5,819.3** | **₹ 5,648.2** | **₹ 7,005.5** | **₹ 12,076.2** | **₹ 13,655.1** | **₹ 15,471.0** | **₹ 18,104.5** |
| ***Check*** | TRUE | TRUE | TRUE | TRUE | TRUE | TRUE | TRUE | TRUE | TRUE |

# AVENUE SUPERMARTS LTD

**NSE: DMART| BSE: 540376**

## Cash Flow Statement

| Years | Mar-15 | Mar-16 | Mar-17 | Mar-18 | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 |
|---|---|---|---|---|---|---|---|---|---|
| Profit from operations | ₹ 474.0 | ₹ 666.0 | ₹ 984.0 | ₹ 1,375.0 | ₹ 1,659.0 | ₹ 2,149.0 | ₹ 1,764.0 | ₹ 2,515.0 | ₹ 3,659.0 |
| Receivables | ₹ 2.0 | (₹ 1.0) | ₹ 54.0 | (₹ 13.0) | (₹ 31.0) | ₹ 45.0 | (₹ 24.0) | (₹ 23.0) | ₹ 5.0 |
| Inventory | (₹ 161.0) | (₹ 132.0) | (₹ 276.0) | (₹ 212.0) | (₹ 445.0) | (₹ 339.0) | (₹ 301.0) | (₹ 494.0) | (₹ 501.0) |
| Payables | (₹ 4.0) | ₹ 72.0 | - | ₹ 55.0 | ₹ 146.0 | (₹ 30.0) | ₹ 145.0 | ₹ 11.0 | ₹ 165.0 |
| Loans Advances | (₹ 5.0) | - | - | - | - | - | - | - | - |
| Operating investments | - | - | (₹ 2.0) | (₹ 62.0) | ₹ 52.0 | ₹ 2.0 | ₹ 12.0 | (₹ 3.0) | - |
| Other WC items | ₹ 16.0 | (₹ 7.0) | (₹ 46.0) | (₹ 11.0) | (₹ 72.0) | (₹ 54.0) | ₹ 41.0 | (₹ 73.0) | ₹ 12.0 |
| **Working capital changes** | (₹ 152.0) | (₹ 69.0) | (₹ 270.0) | (₹ 243.0) | (₹ 351.0) | (₹ 376.0) | (₹ 127.0) | (₹ 582.0) | (₹ 320.0) |
| Direct taxes | (₹ 100.0) | (₹ 164.0) | (₹ 258.0) | (₹ 403.0) | (₹ 502.0) | (₹ 492.0) | (₹ 262.0) | (₹ 560.0) | (₹ 709.0) |
| **Cash from Operating Activity** | **₹ 222.0** | **₹ 434.0** | **₹ 456.0** | **₹ 729.0** | **₹ 807.0** | **₹ 1,281.0** | **₹ 1,375.0** | **₹ 1,373.0** | **₹ 2,631.0** |
| Fixed assets purchased | (₹ 477.0) | - | (₹ 645.0) | (₹ 916.0) | (₹ 1,417.0) | (₹ 1,712.0) | (₹ 2,029.0) | (₹ 2,410.0) | (₹ 2,212.0) |
| Fixed assets sold | - | ₹ 2.0 | ₹ 10.0 | ₹ 7.0 | ₹ 8.0 | ₹ 6.0 | ₹ 2.0 | ₹ 21.0 | ₹ 5.0 |
| Investments purchased | (₹ 2,901.0) | (₹ 638.0) | - | - | - | - | - | - | (₹ 193.0) |
| Investments sold | ₹ 2,904.0 | - | - | ₹ 1,376.0 | ₹ 410.0 | ₹ 232.0 | ₹ 3.0 | ₹ 4.0 | ₹ 6.0 |
| Investment income | - | ₹ 3.0 | ₹ 8.0 | - | - | - | - | - | - |
| Interest received | - | ₹ 1.0 | ₹ 1.0 | ₹ 31.0 | ₹ 36.0 | ₹ 12.0 | ₹ 129.0 | ₹ 43.0 | ₹ 39.0 |
| Dividends received | - | - | - | - | - | - | - | - | - |
| Investment in group cos | - | (₹ 14.0) | (₹ 21.0) | (₹ 49.0) | - | - | - | - | - |
| Redemp n Canc of Shares | - | - | - | ₹ 8.0 | - | - | - | - | - |
| Other investing items | - | ₹ 14.0 | (₹ 1,835.0) | ₹ 7.0 | ₹ 3.0 | (₹ 3,194.0) | ₹ 786.0 | ₹ 1,054.0 | ₹ 42.0 |
| **Cash from Investing Activity -** | **(₹ 474.0)** | **(₹ 632.0)** | **(₹ 2,482.0)** | **₹ 464.0** | **(₹ 960.0)** | **(₹ 4,656.0)** | **(₹ 1,109.0)** | **(₹ 1,288.0)** | **(₹ 2,313.0)** |
| Proceeds from shares | ₹ 33.0 | - | ₹ 1,841.0 | - | - | ₹ 110.0 | - | - | ₹ 15.0 |
| Proceeds from debentures | ₹ 200.0 | ₹ 350.0 | ₹ 250.0 | - | - | ₹ 300.0 | - | - | - |
| Redemption of debentures | - | - | - | (₹ 384.0) | (₹ 170.0) | (₹ 512.0) | (₹ 34.0) | - | - |
| Proceeds from borrowings | ₹ 295.0 | (₹ 60.0) | ₹ 260.0 | - | ₹ 992.0 | ₹ 1,100.0 | ₹ 200.0 | ₹ 248.0 | - |
| Repayment of borrowings | (₹ 232.0) | - | (₹ 155.0) | (₹ 695.0) | (₹ 562.0) | (₹ 1,550.0) | (₹ 204.0) | (₹ 248.0) | - |
| Interest paid fin | (₹ 62.0) | (₹ 93.0) | (₹ 120.0) | (₹ 80.0) | (₹ 51.0) | (₹ 98.0) | (₹ 44.0) | (₹ 54.0) | (₹ 67.0) |
| Financial liabilities | - | - | - | - | - | (₹ 70.0) | (₹ 98.0) | (₹ 125.0) | (₹ 153.0) |
| Application money refund | - | - | - | - | - | - | - | - | ₹ 1.0 |
| Other financing items | - | - | (₹ 50.0) | - | - | ₹ 4,077.0 | - | - | - |
| **Cash from Financing Activity -** | **₹ 234.0** | **₹ 197.0** | **₹ 2,026.0** | **(₹ 1,159.0)** | **₹ 209.0** | **₹ 3,357.0** | **(₹ 180.0)** | **(₹ 179.0)** | **(₹ 204.0)** |
| **Net Cash Flow** | **(₹ 18.0)** | **(₹ 1.0)** | **-** | **₹ 34.0** | **₹ 56.0** | **(₹ 18.0)** | **₹ 86.0** | **(₹ 94.0)** | **₹ 114.0** |

# AVENUE SUPERMARTS LTD

**NSE: DMART| BSE: 540376**

## COMMON SIZE STATEMENT

### Income Statement

| Particulars | Mar-15 | Mar-16 | Mar-17 | Mar-18 | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 |
|---|---|---|---|---|---|---|---|---|---|
| **Sales** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** |
| Raw Material Cost | 87.72% | 86.62% | 87.05% | 85.46% | 87.21% | 86.21% | 86.38% | 86.81% | 86.10% |
| Change in Inventory | 2.50% | 1.54% | 2.32% | 1.41% | 2.22% | 1.36% | 1.25% | 1.60% | 1.17% |
| Power and Fuel | 0.92% | 0.92% | 0.84% | 0.81% | 0.76% | 0.76% | 0.72% | 0.67% | 0.73% |
| Other Mfr. Exp | 2.41% | 2.81% | 2.80% | 2.49% | 2.50% | 2.60% | 3.09% | 2.60% | 2.61% |
| Employee Cost | 2.08% | 1.74% | 1.62% | 1.88% | 1.78% | 1.84% | 2.23% | 1.99% | 1.75% |
| Selling and admin | 9.05% | 7.54% | 0.60% | 0.64% | 0.68% | 0.48% | 0.45% | 0.46% | 0.49% |
| Other Expenses | -6.76% | -5.84% | 1.27% | 1.13% | 1.13% | 0.92% | 1.15% | 0.98% | 0.99% |
| Other Income | 0.31% | 0.20% | 0.23% | 0.58% | 0.24% | 0.24% | 0.81% | 0.37% | 0.30% |
| Depreciation | 1.27% | 1.15% | 1.07% | 1.06% | 1.06% | 1.51% | 1.72% | 1.61% | 1.49% |
| Interest | 1.12% | 1.06% | 1.03% | 0.40% | 0.24% | 0.28% | 0.17% | 0.17% | 0.16% |
| Profit before tax | 5.01% | 5.73% | 6.28% | 8.13% | 7.11% | 7.02% | 6.14% | 6.66% | 7.14% |
| Tax | 1.72% | 2.00% | 2.25% | 2.77% | 2.60% | 1.78% | 1.59% | 1.85% | 1.59% |
| Net profit | 3.29% | 3.73% | 4.02% | 5.36% | 4.51% | 5.23% | 4.55% | 4.82% | 5.55% |
| Dividend Amount | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| EBITDA | 7.40% | 7.94% | 8.38% | 9.58% | 8.41% | 8.80% | 8.03% | 8.45% | 8.79% |

### Balance Sheet

| Particulars | Mar-15 | Mar-16 | Mar-17 | Mar-18 | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 |
|---|---|---|---|---|---|---|---|---|---|
| **Total Liabilities** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** |
| Equity Share Capital | 23.85% | 18.11% | 10.72% | 11.05% | 8.91% | 5.36% | 4.74% | 4.19% | 3.58% |
| Reserves | 27.08% | 30.92% | 55.29% | 71.61% | 70.85% | 86.38% | 84.48% | 84.22% | 85.23% |
| Borrowings | 38.40% | 38.44% | 25.73% | 7.78% | 9.99% | 2.76% | 2.88% | 4.18% | 3.55% |
| Other Liabilities | 10.67% | 12.53% | 8.25% | 9.56% | 10.25% | 5.49% | 7.90% | 7.41% | 7.64% |
| | | | | | | | | | |
| **Total Assets** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** |
| Net Block | 64.89% | 67.50% | 44.30% | 60.20% | 62.81% | 49.25% | 51.33% | 59.85% | 62.64% |
| Capital Work in Progress | 4.17% | 2.63% | 2.63% | 2.60% | 5.38% | 3.02% | 7.47% | 7.30% | 4.58% |
| Investments | 0.65% | 0.95% | 0.44% | 1.21% | 0.24% | 0.12% | 0.02% | 0.04% | 1.12% |
| Other Assets | 5.46% | 5.86% | 3.60% | 4.88% | 4.56% | 30.43% | 13.81% | 12.72% | 5.63% |
| Receivables | 0.30% | 0.27% | 0.36% | 0.59% | 0.92% | 0.16% | 0.32% | 0.43% | 0.34% |
| Inventory | 22.92% | 21.66% | 16.29% | 20.60% | 22.96% | 16.13% | 16.46% | 17.73% | 17.92% |
| Cash & Bank | 1.62% | 1.13% | 32.38% | 9.92% | 3.13% | 0.89% | 10.59% | 1.93% | 7.78% |

# AVENUE SUPERMARTS LTD

**NSE: DMART| BSE: 540376**

DMart

## *RATIO ANALYSIS*

| Years | Mar-15 | Mar-16 | Mar-17 | Mar-18 | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | Trend | Mean | Median |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales Growth | - | 33.15% | 38.65% | 26.80% | 32.62% | 24.32% | -2.38% | 27.74% | 38.20% | | 27.39% | 30.18% |
| EBITDA Growth | - | 43.01% | 46.28% | 44.51% | 16.73% | 30.13% | -11.38% | 34.90% | 43.97% | | 31.02% | 38.95% |
| EBT Growth | - | 52.41% | 51.94% | 63.58% | 16.36% | 22.70% | -14.98% | 39.14% | 48.25% | | 34.92% | 43.70% |
| Net Profit Growth | - | 51.26% | 49.51% | 68.40% | 11.93% | 44.16% | -15.49% | 35.74% | 59.36% | | 38.11% | 46.84% |
| Dividend Growth | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | 0.00% | 0.00% |
| Gross Margin | 9.66% | 9.62% | 10.23% | 11.29% | 10.19% | 10.17% | 9.55% | 9.85% | 10.25% | | 10.09% | 10.17% |
| EBITDA Margin | 7.38% | 7.92% | 8.36% | 9.53% | 8.39% | 8.78% | 7.97% | 8.41% | 8.77% | | 8.39% | 8.39% |
| EBIT Margin | 6.11% | 6.78% | 7.29% | 8.48% | 7.33% | 7.28% | 6.27% | 6.81% | 7.28% | | 7.07% | 7.28% |
| EBT Margin | 4.99% | 5.72% | 6.26% | 8.08% | 7.09% | 7.00% | 6.10% | 6.64% | 7.12% | | 6.56% | 6.64% |
| Net Profit Margin | 3.28% | 3.72% | 4.01% | 5.33% | 4.50% | 5.22% | 4.52% | 4.80% | 5.54% | | 4.55% | 4.52% |
| S&G Exp % Sales | 2.28% | 1.70% | 1.87% | 1.76% | 1.80% | 1.39% | 1.58% | 1.43% | 1.48% | | 1.70% | 1.70% |
| Depreciation & Sales | 1.26% | 1.14% | 1.07% | 1.05% | 1.06% | 1.50% | 1.70% | 1.60% | 1.49% | | 1.32% | 1.26% |
| Operating Income % Sales | 6.11% | 6.78% | 7.29% | 8.48% | 7.33% | 7.28% | 6.27% | 6.81% | 7.28% | | 7.07% | 7.28% |
| Return on Capital Employed | 18.78% | 21.49% | 16.28% | 25.09% | 23.37% | 15.89% | 12.13% | 14.79% | 18.70% | | 18.50% | 18.70% |
| Retained Earning | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | | 100.00% | 100.00% |
| Return on Equity % | 17.65% | 21.06% | 12.46% | 17.27% | 16.15% | 11.74% | 9.02% | 10.91% | 14.79% | | 14.56% | 14.79% |
| Self Sustained Growth Rate | 17.65% | 21.06% | 12.46% | 17.27% | 16.15% | 11.74% | 9.02% | 10.91% | 14.79% | | 14.56% | 14.79% |
| Interest Coverage Ratio | 5.46x | 6.38x | 7.12x | 21.53x | 31.12x | 26.24x | 36.62x | 39.37x | 46.40x | | 24.47x | 26.24x |
| Debtor Turnover Ratio | 913.68x | 1021.47x | 567.88x | 451.10x | 311.52x | 1275.20x | 558.46x | 464.79x | 691.23x | | 695.04x | 567.88x |
| Creditor Turnover Ratio | 25.70x | 22.12x | 24.84x | 28.01x | 27.93x | 37.59x | 22.56x | 27.12x | 31.07x | | 27.44x | 27.12x |
| Inventory Turnover Ratio | 10.82x | 11.57x | 11.29x | 11.53x | 11.20x | 11.50x | 9.79x | 10.22x | 11.89x | | 11.09x | 11.29x |
| Fixed Asset Turnover Ratio | 4.23x | 4.11x | 4.63x | 4.45x | 4.56x | 4.19x | 3.47x | 3.36x | 3.79x | | 4.09x | 4.19x |
| Capital Turnover Ratio | 5.39x | 5.66x | 3.10x | 3.24x | 3.59x | 2.25x | 2.00x | 2.27x | 2.67x | | 3.35x | 3.10x |
| ***(In days)*** | | | | | | | | | | | | |
| Debtor Days | 0 | 0 | 1 | 1 | 1 | 0 | 1 | 1 | 1 | | 1 | 1 |
| Creditor Days | 14 | 16 | 15 | 13 | 13 | 10 | 16 | 13 | 12 | | 14 | 13 |
| Cash Conversion Cycle | -14 | -16 | -14 | -12 | -12 | -9 | -16 | -13 | -11 | | -13 | -13 |
| CFO/Sales | 3.44% | 5.05% | 3.82% | 4.82% | 4.02% | 5.14% | 5.65% | 4.42% | 6.12% | | 4.72% | 4.82% |
| CFO/Total Assets | 9.43% | 13.99% | 7.84% | 12.91% | 11.52% | 10.61% | 10.07% | 8.87% | 14.53% | | 11.09% | 10.61% |
| CFO/Total Debt | 24.55% | 36.40% | 30.45% | 165.96% | 115.26% | 384.47% | 350.13% | 212.23% | 409.19% | | 192.07% | 165.96% |

# AVENUE SUPERMARTS LTD

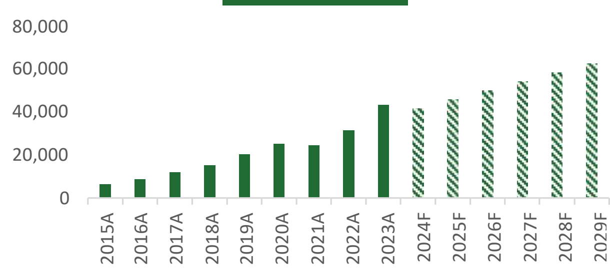
NSE: DMART| BSE: 540376

## FORCASTING

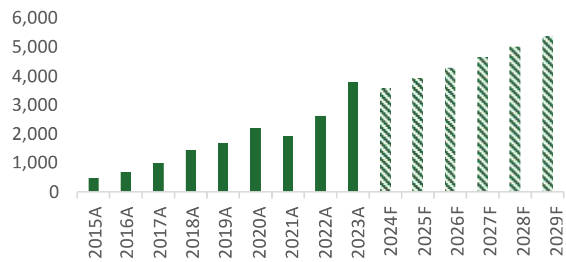
| Year Weight | Year | Sales | Sales Growth |
|---|---|---|---|
| 1 | 2015A | 6,459.7 | |
| 2 | 2016A | 8,600.8 | 33.15% |
| 3 | 2017A | 11,925.4 | 38.65% |
| 4 | 2018A | 15,121.0 | 26.80% |
| 5 | 2019A | 20,052.9 | 32.62% |
| 6 | 2020A | 24,930.2 | 24.32% |
| 7 | 2021A | 24,337.5 | -2.38% |
| 8 | 2022A | 31,089.9 | 27.74% |
| 9 | 2023A | 42,967.2 | 38.20% |
| 10 | 2024F | 41,286.9 | -3.91% |
| 11 | 2025F | 45,422.4 | 10.02% |
| 12 | 2026F | 49,558.0 | 9.10% |
| 13 | 2027F | 53,693.5 | 8.34% |
| 14 | 2028F | 57,829.0 | 7.70% |
| 15 | 2029F | 61,964.5 | 7.15% |

| Year Weight | Year | EBITDA | EBITDA Growth |
|---|---|---|---|
| 1 | 2015A | 476.5 | |
| 2 | 2016A | 681.5 | 43.01% |
| 3 | 2017A | 996.9 | 46.28% |
| 4 | 2018A | 1,440.6 | 44.51% |
| 5 | 2019A | 1,681.6 | 16.73% |
| 6 | 2020A | 2,188.3 | 30.13% |
| 7 | 2021A | 1,939.3 | -11.38% |
| 8 | 2022A | 2,616.0 | 34.90% |
| 9 | 2023A | 3,766.4 | 43.97% |
| 10 | 2024F | 3,553.7 | -5.65% |
| 11 | 2025F | 3,913.7 | 10.13% |
| 12 | 2026F | 4,273.6 | 9.20% |
| 13 | 2027F | 4,633.5 | 8.42% |
| 14 | 2028F | 4,993.4 | 7.77% |
| 15 | 2029F | 5,353.3 | 7.21% |

Sales Growth




EBITDA Growth

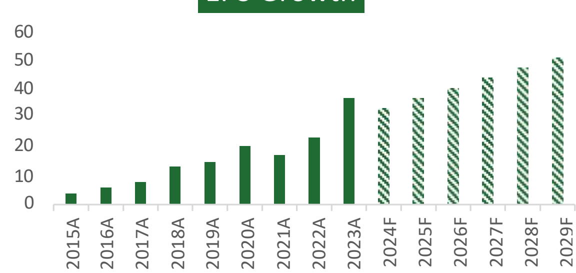



| Year Weight | Year | EBT | EBT Growth |
|---|---|---|---|
| 1 | 2015A | 322.6 | |
| 2 | 2016A | 491.7 | 52.41% |
| 3 | 2017A | 747.1 | 51.94% |
| 4 | 2018A | 1,222.1 | 63.58% |
| 5 | 2019A | 1,421.9 | 16.36% |
| 6 | 2020A | 1,744.8 | 22.70% |
| 7 | 2021A | 1,483.5 | -14.98% |
| 8 | 2022A | 2,064.1 | 39.14% |
| 9 | 2023A | 3,060.1 | 48.25% |
| 10 | 2024F | 2,867.2 | -6.30% |
| 11 | 2025F | 3,161.6 | 10.27% |
| 12 | 2026F | 3,455.9 | 9.31% |
| 13 | 2027F | 3,750.3 | 8.52% |
| 14 | 2028F | 4,044.7 | 7.85% |
| 15 | 2029F | 4,339.1 | 7.28% |

| Year Weight | Year | EPS | EPS Growth |
|---|---|---|---|
| 1 | 2015A | 3.8 | |
| 2 | 2016A | 5.7 | 51.26% |
| 3 | 2017A | 7.7 | 34.52% |
| 4 | 2018A | 12.9 | 68.40% |
| 5 | 2019A | 14.5 | 11.93% |
| 6 | 2020A | 20.1 | 38.89% |
| 7 | 2021A | 17.0 | -15.49% |
| 8 | 2022A | 23.0 | 35.74% |
| 9 | 2023A | 36.7 | 59.24% |
| 10 | 2024F | 33.2 | -9.63% |
| 11 | 2025F | 36.6 | 10.53% |
| 12 | 2026F | 40.1 | 9.53% |
| 13 | 2027F | 43.6 | 8.70% |
| 14 | 2028F | 47.1 | 8.00% |
| 15 | 2029F | 50.6 | 7.41% |

EBT Growth


EPS Growth



# AVENUE SUPERMARTS LTD

**NSE: DMART| BSE: 540376**

## BETA REGRESSION

*Regression Beta - 2 Years Weekly*

| AVENUE SUPERMARTS LTD Weekly Returns | | | Nifty Returns | |
|---|---|---|---|---|
| **Date** | **Closing Price** | **Returns** | **Closing Price** | **Returns** |
| 30-05-2022 | 3820.1 | | 16584.3 | |
| 06-06-2022 | 3755.6 | -1.69% | 16201.8 | -2.31% |
| 13-06-2022 | 3460.6 | -7.86% | 15293.5 | -5.61% |
| 20-06-2022 | 3412.0 | -1.40% | 15699.3 | 2.65% |
| 27-06-2022 | 3388.8 | -0.68% | 15752.0 | 0.34% |
| 04-07-2022 | 3941.7 | 16.32% | 16220.6 | 2.97% |
| 11-07-2022 | 3926.8 | -0.38% | 16049.2 | -1.06% |
| 18-07-2022 | 3963.4 | 0.93% | 16719.4 | 4.18% |
| 25-07-2022 | 4243.9 | 7.08% | 17158.3 | 2.62% |
| 01-08-2022 | 4232.3 | -0.27% | 17397.5 | 1.39% |
| 08-08-2022 | 4336.7 | 2.47% | 17698.2 | 1.73% |
| 15-08-2022 | 4382.0 | 1.04% | 17758.4 | 0.34% |
| 22-08-2022 | 4409.6 | 0.63% | 17558.9 | -1.12% |
| 29-08-2022 | 4576.8 | 3.79% | 17539.4 | -0.11% |
| 05-09-2022 | 4386.1 | -4.17% | 17833.3 | 1.68% |
| 12-09-2022 | 4327.5 | -1.33% | 17530.8 | -1.70% |
| 19-09-2022 | 4367.0 | 0.91% | 17327.3 | -1.16% |
| 26-09-2022 | 4386.5 | 0.45% | 17094.3 | -1.34% |
| 03-10-2022 | 4471.5 | 1.94% | 17314.7 | 1.29% |
| 10-10-2022 | 4306.1 | -3.70% | 17185.7 | -0.74% |
| 17-10-2022 | 4215.5 | -2.10% | 17576.3 | 2.27% |
| 24-10-2022 | 4307.4 | 2.18% | 17786.8 | 1.20% |
| 31-10-2022 | 4167.4 | -3.25% | 18117.2 | 1.86% |
| 07-11-2022 | 4128.4 | -0.94% | 18349.7 | 1.28% |
| 14-11-2022 | 3910.6 | -5.27% | 18307.7 | -0.23% |
| 21-11-2022 | 3904.4 | -0.16% | 18512.8 | 1.12% |
| 28-11-2022 | 4005.8 | 2.59% | 18696.1 | 0.99% |
| 05-12-2022 | 4002.4 | -0.08% | 18496.6 | -1.07% |
| 12-12-2022 | 3990.0 | -0.31% | 18269.0 | -1.23% |
| 19-12-2022 | 3875.6 | -2.87% | 17806.8 | -2.53% |
| 26-12-2022 | 4068.8 | 4.98% | 18105.3 | 1.68% |
| 02-01-2023 | 3842.5 | -5.56% | 17859.4 | -1.36% |
| 09-01-2023 | 3863.7 | 0.55% | 17956.6 | 0.54% |
| 16-01-2023 | 3513.8 | -9.06% | 18027.7 | 0.40% |
| 23-01-2023 | 3562.4 | 1.38% | 17604.3 | -2.35% |
| 30-01-2023 | 3470.4 | -2.58% | 17854.1 | 1.42% |
| 06-02-2023 | 3498.9 | 0.82% | 17856.5 | 0.01% |
| 13-02-2023 | 3545.0 | 1.32% | 17944.2 | 0.49% |
| 20-02-2023 | 3499.2 | -1.29% | 17465.8 | -2.67% |
| 27-02-2023 | 3463.3 | -1.03% | 17594.3 | 0.74% |
| 06-03-2023 | 3391.9 | -2.06% | 17412.9 | -1.03% |

| Beta Drifiting | |
|---|---|
| Levered Raw Beta | 0.99 |
| Raw Beta Weight | 75.00% |
| Market Beta | 1 |
| Market Beta Weight | 25.00% |
| **Adjusted Beta** | **0.99** |

# AVENUE SUPERMARTS LTD

**NSE: DMART| BSE: 540376**

## WACC

*All figures are in INR unless stated otherwise.*

**Peer Comps**

| Name | Country | Total Debt | Total Equity | Tax Rate [1] | Debt/ Equity | Debt/ Capital | Levered Beta [2] | Unlevered Beta [3] |
|---|---|---|---|---|---|---|---|---|
| Avenue Super. | India | 592.2 | 2,79,955.1 | 30.00% | 0.21% | 0.21% | 0.99 | 0.99 |
| Trent | India | 1,753.0 | 1,62,072.1 | 30.00% | 1.08% | 1.07% | 0.94 | 0.93 |
| Aditya Bir. Fas. | India | 9,451.4 | 29,227.9 | 30.00% | 32.34% | 24.44% | 1.35 | 1.10 |
| Vedant Fashions | India | 444.4 | 25,337.4 | 30.00% | 1.75% | 1.72% | 0.81 | 0.80 |
| | | | | **Average** | 8.85% | 6.86% | 1.02 | 0.96 |
| | | | | **Median** | 1.42% | 1.40% | 0.97 | 0.96 |

**Cost of Debt**

| | |
|---|---|
| Pre-tax Cost of Debt | 7.50% |
| Tax Rate | 30.00% |
| After Tax Cost of Debt | 5.25% |

**Cost of Equity**

| | |
|---|---|
| Risk Free Rate | 7.16% |
| Equity Risk Premium | 9.65% |
| Levered Beta [4] | 1.01 |
| Cost of Equity | 16.92% |

**Capital Structure**

| | | **Current** | **Target** |
|---|---|---|---|
| Total Debt | 592.2 | 0.21% | 6.86% |
| Market Capitalization | 2,79,955.1 | 99.79% | 93.14% |
| Total Capitalization | 2,80,547.3 | 100.00% | 100.00% |
| Debt / Equity | | 0.21% | 7.37% |

**Levered Beta**

| | |
|---|---|
| Comps Median Unlevered Beta | 0.96 |
| Target Debt/ Equity | 7.37% |
| Tax Rate | 30.00% |
| Levered Beta | 1.01 |

**Weighted Average Cost of Capital**

| | |
|---|---|
| Cost of Equity | 16.92% |
| Equity Weight | 93.14% |
| Cost of Debt | 5.25% |
| Debt Weight | 6.86% |
| **WACC** | **16.12%** |

*1. Tax Rate considered as Marginal Tax Rate for the country*

*2. Levered Beta is based on 2 year weekly data*

*3. Unlevered Beta = Levered Beta/(1+(1-Tax Rate) x Debt/Equity)*

*3. Levered Beta = Unlevered Beta/(1+(1-Tax Rate) x Debt/Equity)*

# AVENUE SUPERMARTS LTD

**NSE: DMART| BSE: 540376**

## DCF VALUATION

| Calculation of PV of FCFF | Mar-23A | Mar-24F | Apr-25F | Apr-26F | Apr-27F | Apr-28F |
|---|---|---|---|---|---|---|
| EBIT | 3,127.5 | 5,445.6 | 9,481.9 | 16,509.9 | 28,747.0 | 50,054.2 |
| Tax Rate | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% |
| EBIT (1-T) | 2,189.3 | 3,811.9 | 6,637.3 | 11,556.9 | 20,122.9 | 35,037.9 |
| Less: Reinvestment Rate [1] | 47.50% | 47.50% | 47.50% | 47.50% | 47.50% | 47.50% |
| **Free Cash Flow to Firm** | **1,149.4** | **2,001.3** | **3,484.6** | **6,067.4** | **10,564.5** | **18,394.9** |
| Mid Year Convention | | 0.5 | 1.5 | 2.5 | 3.5 | 4.5 |
| Discounting Factor | | 0.928 | 0.799 | 0.688 | 0.593 | 0.510 |
| **PV of FCFF** | | **1857.2** | **2784.8** | **4175.8** | **6261.6** | **9389.2** |

| | |
|---|---|
| Expected Growth [1] | 74.12% |
| Terminal Growth [2] | 6.80% |
| WACC | 16.12% |

| Calculation of Terminal Value | |
|---|---|
| FCFF (N+1) | 32029.2 |
| WACC | 16.12% |
| Terminal Growth | 6.80% |
| **Terminal Value** | **3,43,688.7** |

Sensitivity Analysis - Enterprise Value

| GROWTH \ WACC | 10.59% | 11.00% | 12.00% | 16.12% |
|---|---|---|---|---|
| 5.00% | 317181.7 | 296943.3 | 258018.3 | 171497.1 |
| 6.80% | 456379.0 | 413718.2 | 338862.5 | **199895.5** |
| 7.00% | 480473.4 | 433180.7 | 351438.3 | 203742.9 |
| 8.00% | 656866.9 | 569418.0 | 433180.7 | 225823.0 |

| Calculation of Equity Value | |
|---|---|
| PV of FCC | 24468.6 |
| PV of Terminal Value | 175426.9 |
| **Enterprise Value** | **199895.5** |
| Add: Cash | 1408.3 |
| Less: Debt | 643.0 |
| **Equity Value** | **200660.8** |
| No of Shares | 64.8 |
| **Equity Value per Share** | **3095.2** |
| Share Price | 4302.2 |
| **Premium/Discount** | **1.39x** |

Sensitivity Analysis - Equity Value Per Share

| GROWTH \ WACC | 10.59% | 11.00% | 12.00% | 16.12% |
|---|---|---|---|---|
| 5.00% | 4904.3 | 4592.1 | 3991.7 | 2657.1 |
| 6.80% | 7051.4 | 6393.4 | 5238.7 | **3095.2** |
| 7.00% | 7423.1 | 6693.6 | 5432.7 | 3154.5 |
| 8.00% | 10143.9 | 8795.1 | 6693.6 | 3495.1 |

*Assumptions*

*1. The reinvestment rate and growth rate are taken from the NYU Stern report on the Indian sector, updated in January 2024.*

*2. The terminal growth rate is based on India's long term GDP growth rate.*

# AVENUE SUPERMARTS LTD

**NSE: DMART | BSE: 540376**

*Amount in Crores*

## COMPARABLE COMPANY VALUATION

| | | Market Data | | | | | Financials | | | Valuation | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company | Ticker | Share Price | Share Outstanding | Equity Value | Net Debt | Enterprise Value | Revenue | EBITDA | Net Income | EV/Sales | EV/EBITDA | P/E |
| Avenue Super. | DMART | 4,302.2 | 65.1 | 2,79,940.9 | (5,178.1) | 2,74,762.8 | 50,788.8 | 4,250.2 | 2,535.6 | 5.41x | 64.65x | 110.40x |
| Trent | TRENT | 4,559.2 | 35.6 | 1,62,077.8 | 878.0 | 1,62,955.8 | 12,375.1 | 2,215.3 | 1,477.5 | 13.17x | 73.56x | 109.70x |
| Aditya Bir. Fas. | ABFRL | 287.7 | 101.6 | 29,228.1 | 8,346.3 | 37,574.4 | 13,995.9 | 1,702.9 | (735.9) | 2.68x | 22.06x | -39.72x |
| Vedant Fashions | VEDANTA | 1,043.3 | 24.3 | 25,340.5 | (1,283.3) | 24,057.3 | 1,367.5 | 727.8 | 414.2 | 17.59x | 33.06x | 61.18x |
| High | | | | | | | | | | 17.59x | 73.56x | 110.40x |
| 75th Percentile | | | | | | | | | | 14.27x | 66.87x | 109.88x |
| **Average** | | | | | | | | | | **9.71x** | **48.33x** | **60.39x** |
| **Median** | | | | | | | | | | **9.29x** | **48.85x** | **85.44x** |
| 25th Percentile | | | | | | | | | | 4.73x | 30.31x | 35.96x |
| Low | | | | | | | | | | 2.68x | 22.06x | -39.72x |

| **AVENUE SUPERMARTS LTD Comparable Valuation** | **EV/Sales** | **EV/EBITDA** | **P/E** |
|---|---|---|---|
| Implied Enterprise Value | 4,71,775.8 | 2,07,630.3 | 2,11,469.7 |
| Net Debt | (5,178.1) | (5,178.1) | (5,178.1) |
| Implied Equity Value | 4,76,953.9 | 2,12,808.4 | 2,16,647.8 |
| Share Outstanding | 65.1 | 65.1 | 65.1 |
| **Implied Value Per Share** | **7329.9** | **3270.5** | **3329.5** |

# AVENUE SUPERMARTS LTD

**NSE: DMART| BSE: 540376**

## Value at Risk (VAR) & Monte Carlo Simulation

| Date | Adj Close | Return | Sorted Return | Replication | Simulated Returns |
|---|---|---|---|---|---|
| 11-01-2019 | 1571.65 | -1.22 | 0.12 | 1 | 1.96% |
| 14-10-2021 | 5323.75 | 0.30 | 0.08 | 2 | -1.68% |
| 05-05-2022 | 3943.80 | 0.61 | 0.07 | 3 | -1.06% |
| 15-07-2020 | 2146.35 | 0.26 | 0.07 | 4 | 1.50% |
| 21-12-2018 | 1648.10 | -0.96 | 0.06 | 5 | 2.49% |
| 21-01-2022 | 4299.80 | 0.15 | 0.06 | 6 | 2.29% |
| 16-06-2022 | 3682.60 | 0.96 | 0.06 | 7 | 0.65% |
| 12-10-2018 | 1411.70 | 0.08 | 0.06 | 8 | -0.54% |
| 17-10-2018 | 1308.65 | 0.53 | 0.06 | 9 | -0.94% |
| 17-04-2017 | 774.05 | -0.62 | 0.06 | 10 | 2.48% |
| 04-07-2019 | 1433.00 | -0.57 | 0.06 | 11 | -2.00% |
| 13-02-2020 | 2544.15 | 0.53 | 0.05 | 12 | -0.38% |
| 17-05-2018 | 1495.00 | -0.63 | 0.05 | 13 | -0.95% |
| 28-01-2021 | 2794.45 | -0.48 | 0.05 | 14 | -0.61% |
| 11-01-2022 | 4504.90 | 1.16 | 0.05 | 15 | 1.88% |
| 18-05-2018 | 1417.20 | -0.30 | 0.05 | 16 | -0.61% |
| 20-03-2020 | 1916.10 | -0.22 | 0.05 | 17 | -2.87% |
| 09-04-2020 | 2392.65 | 0.13 | 0.05 | 18 | 2.33% |
| 11-03-2020 | 2109.95 | 0.09 | 0.05 | 19 | -0.23% |
| 18-03-2020 | 1920.90 | -0.05 | 0.05 | 20 | 0.71% |
| 17-03-2020 | 2021.95 | -0.04 | 0.05 | 21 | -1.70% |
| 13-03-2020 | 2101.00 | -0.88 | 0.05 | 22 | -0.83% |
| 18-11-2021 | 5080.90 | 1.43 | 0.05 | 23 | -1.48% |
| 17-10-2017 | 1220.00 | 0.02 | 0.05 | 24 | -0.15% |
| 22-10-2018 | 1191.80 | -1.18 | 0.05 | 25 | 1.74% |
| 13-01-2023 | 3863.70 | 0.48 | 0.05 | 26 | 0.13% |
| 22-05-2020 | 2398.30 | 0.09 | 0.05 | 27 | -2.28% |
| 31-03-2020 | 2187.50 | -0.65 | 0.05 | 28 | -1.79% |
| 15-12-2022 | 4182.00 | 0.35 | 0.05 | 29 | -3.06% |
| 09-04-2021 | 2947.75 | -0.43 | 0.05 | 30 | -1.67% |
| 15-09-2022 | 4525.85 | 0.21 | 0.04 | 31 | 0.87% |
| 05-04-2023 | 3654.85 | 0.49 | 0.04 | 32 | 3.19% |

### Calucation of Value at Risk (VAR)

| Historical Approach | |
|---|---|
| Mean | -0.11% |
| Std Deviation | 2.01% |
| Min | -12.28% |
| Max | 11.75% |
| Stock Price Currnet | 4302.15 |

| Percentile | Confidence | Var % | Stock Price | Var(INR) |
|---|---|---|---|---|
| 5% | 95.00% | -3.52% | 4453.4 | -151.2 |
| 1% | 99.00% | -5.46% | 4537.0 | -234.9 |
| 0.50% | 99.50% | -6.60% | 4586.2 | -284.1 |
| 10% | 90.00% | -2.45% | 4407.4 | -105.2 |

### Calucation of Monte Carlo Simulation

| Monte Carlo Simulation Approach | |
|---|---|
| Mean | -0.08% |
| Std Deviation | 1.98% |
| Min | -6.54% |
| Max | 6.43% |
| Stock Price Currnet | 4302.15 |

| Percentile | Confidence | Var % | Stock Price | Var(INR) |
|---|---|---|---|---|
| 5% | 95.00% | -3.40% | 4448.2 | -146.1 |
| 1% | 99.00% | -4.57% | 4498.7 | -196.6 |
| 0.50% | 99.50% | -5.03% | 4518.4 | -216.2 |
| 10% | 90.00% | -2.59% | 4413.4 | -111.3 |

# AVENUE SUPERMARTS LTD

(NSE: DMART| BSE: 540376)

**INR 2362.55**

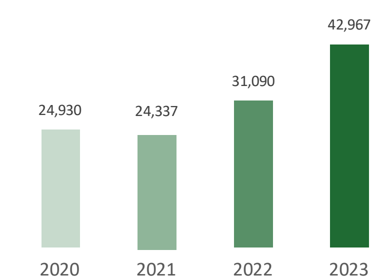
52 Week (High - INR 4924 & Low - INR 3491)

## About the Company

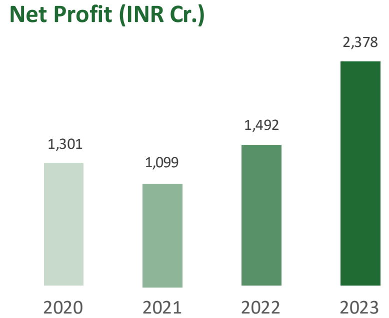
Founded in 2000 by Radhakishan Damani, DMart is a chain of hypermarkets and supermarkets in India, operated by Avenue Supermarts Ltd. Headquartered in Mumbai, DMart offers a wide range of products, including groceries, apparel, home appliances, and personal care items. Known for its efficient supply chain management and competitive pricing, DMart has rapidly expanded its footprint across India, becoming one of the leading retail chains in the country.

## Financial Summary

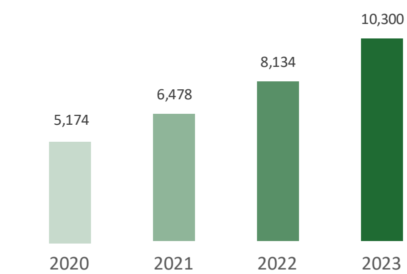
### Revenue (INR Cr.)



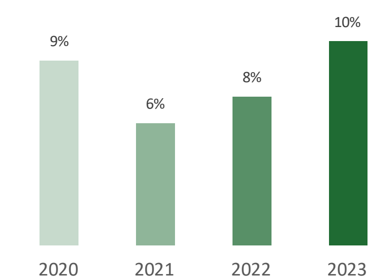

### Net Profit (INR Cr.)



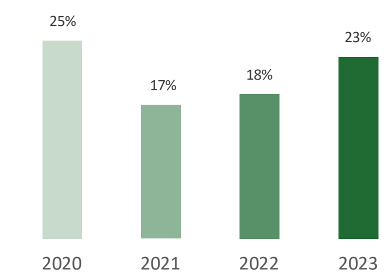

### Avg. Total Assets (INR Cr.)



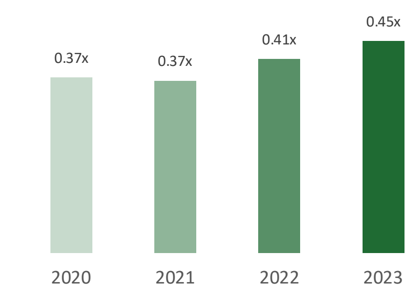

### Return on Equity




### Return on Assets




### Financial Leverage




## Result Summary

- DMart is reportedly working on expanding its online grocery delivery service, DMart Ready, to reach more customers.
- The company is known for its competitive prices and wide variety of household products, and this expansion could pose a threat to other online grocery retailers.
- DMart recently opened new stores in several cities, indicating continued growth and optimistic market conditions.
- With a focus on value for money, DMart might be looking for ways to attract new customer segments through targeted promotions or loyalty programs.

# Dupont Analysis - Return on Equity & Return on Asset

**Return on Equity (ROE)**

| | Mar-18 | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 |
|---|---|---|---|---|---|---|
| Net Profit | 806.3 | 902.5 | 1301.0 | 1099.4 | 1492.4 | 2378.3 |
| Average Shareholder Equity | 6589.9 | 7922.0 | 13873.5 | 17723.6 | 19769.5 | 22917.5 |
| **Return on Equity** | 12.24% | 11.39% | 9.38% | 6.20% | 7.55% | 10.38% |

**ROE - Dupont Equation**

| | Mar-18 | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 |
|---|---|---|---|---|---|---|
| Net Profit | 806.3 | 902.5 | 1301.0 | 1099.4 | 1492.4 | 2378.3 |
| Revenue | 15121.0 | 20052.9 | 24930.2 | 24337.5 | 31089.9 | 42967.2 |
| **Net Profit Margin (A)** | 5.33% | 4.50% | 5.22% | 4.52% | 4.80% | 5.54% |
| | | | | | | |
| Revenue | 15121.0 | 20052.9 | 24930.2 | 24337.5 | 31089.9 | 42967.2 |
| Average Total Asset | 2988.9 | 3900.2 | 5174.2 | 6478.4 | 8134.4 | 10300.3 |
| **Asset Turnover Ratio (B)** | 5.1X | 5.1X | 4.8X | 3.8X | 3.8X | 4.2X |
| | | | | | | |
| Average Total Asset | 2988.9 | 3900.2 | 5174.2 | 6478.4 | 8134.4 | 10300.3 |
| Average Shareholder Equity | 6589.9 | 7922.0 | 13873.5 | 17723.6 | 19769.5 | 22917.5 |
| **Equity Multiplier (C)** | 0.5X | 0.5X | 0.4X | 0.4X | 0.4X | 0.4X |
| | | | | | | |
| **Return on Equity (A*B*C)** | 12.24% | 11.39% | 9.38% | 6.20% | 7.55% | 10.38% |

**Return on Assets**

| | Mar-18 | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 |
|---|---|---|---|---|---|---|
| Net Profit | 806.3 | 902.5 | 1301.0 | 1099.4 | 1492.4 | 2378.3 |
| Average Total Asset | 2988.9 | 3900.2 | 5174.2 | 6478.4 | 8134.4 | 10300.3 |
| **Return on Assets** | 26.98% | 23.14% | 25.14% | 16.97% | 18.35% | 23.09% |

**ROA - Dupont Equation**

| | Mar-18 | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 |
|---|---|---|---|---|---|---|
| Net Profit | 806.3 | 902.5 | 1301.0 | 1099.4 | 1492.4 | 2378.3 |
| Revenue | 15121.0 | 20052.9 | 24930.2 | 24337.5 | 31089.9 | 42967.2 |
| **Net Profit Margin (A)** | 5.33% | 4.50% | 5.22% | 4.52% | 4.80% | 5.54% |
| | | | | | | |
| Revenue | 15121.0 | 20052.9 | 24930.2 | 24337.5 | 31089.9 | 42967.2 |
| Average Total Asset | 2988.9 | 3900.2 | 5174.2 | 6478.4 | 8134.4 | 10300.3 |
| **Asset Turnover Ratio (B)** | 5.1X | 5.1X | 4.8X | 3.8X | 3.8X | 4.2X |
| | | | | | | |
| **Return on Assets (A*B)** | 26.98% | 23.14% | 25.14% | 16.97% | 18.35% | 23.09% |

## Dupont Summary

**Return on Equity:** ROE decreased from 12.24% in 2018 to a low of 6.20% in 2021 but then increased to 10.38% in 2023, indicating fluctuations in profitability or financial leverage.
**Net Profit Margin:** The net profit margin remained relatively stable, starting at 5.33% in 2018 and increasing slightly to 5.54% in 2023, indicating consistent profitability relative to sales.
**Asset Turnover Ratio:** The asset turnover ratio decreased from 5.1X in 2018 to 3.8X in 2020 and 2021, before recovering to 4.2X in 2023, suggesting initial declines in asset utilization efficiency followed by some improvement.
**Equity Multiplier:** The equity multiplier remained consistent at 0.4X to 0.5X over the period, indicating stable financial leverage with a slight decrease from 0.5X in 2018 to 0.4X in subsequent years.
**Return on Assets:** ROA experienced fluctuations, starting at 26.98% in 2018, dropping to a low of 16.97% in 2021, and then increasing to 23.09% in 2023, reflecting variations in the company's efficiency in generating profits from its assets