

12 May 2025

India | Equity Research | Results update

Aditya Vision

White Goods

Store rollout has been higher than expectations

Aditya Vision has rolled out 30 stores in FY25, higher than the initial expectation of 25 stores. While it expects to rollout 25-30 stores even in FY26, we believe it can potentially rollout more stores. We believe it is on track to report 20%+ revenue/ EBITDA/PAT CAGR over FY25-27E with increase in stores and steady increase in revenue per store. Its revenue per store was up 2% in FY25 and SSSG was 15%. Considering there is limited competitive pressure in core markets (Bihar, Jharkhand and East UP) of Aditya, we also model it to maintain healthy EBITDA margin of ~9% over FY25-27E. While excess inventory at the end of Mar'25 and unseasonal rains in Apr'25 may push for higher incentives/ discounts in H1FY26, we believe there is potential for higher margins in H2FY26E. Considering aggressive rollout and higher debt (interest), we trim FY26-27E earnings by 7-7.9%. Maintain **BUY** with revised TP of INR 490.

Q4FY25 result review

Aditya reported revenue/EBITDA/PAT growth of 29.6%/12.4%/ 103.6% YoY, respectively. Gross/ EBITDA margin contracted 50bps/130bps YoY, respectively. Inferior revenue mix as well as launches of multiple new stores in new geography of Uttar Pradesh led to lower margins. We believe there is possibility for YoY margin revival in H2FY26-FY27E. Lower effective tax rate boosted margins.

Key quarterly details

The company had rolled out 14 new stores in Q4FY25. Six stores were rolled out in Jan'25 and the rest in Feb-Mar'25. Most stores were opened in UP. Square feet (sqft) area rose by 27.5% YoY. Revenue per store was up 7.3% and revenue/sqft expanded 1.6% YoY. The SSSG in FY25 was 15%. The average selling price declined 2.8% in FY25 YoY which indicates downtrading in key markets of Aditya.

Steep increase in inventory

Inventory days increased from 91 at the end of FY24 to 113 at the end of FY25 primarily due to (1) steep increase in number of stores in Q4FY25 and (2) the company has accumulated inventory of air conditioners in anticipation of strong summer season and likely impact on imports of compressors for air conditioners. Due to unseasonal rains, the durables companies as well as trade may need to increase the discounts to sell the additional inventory. It may slightly impact margins in H1FY26E.

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	17,433	22,598	27,376	32,645
EBITDA	1,663	2,041	2,477	2,938
EBITDA Margin (%)	9.5	9.0	9.1	9.0
Net Profit	759	1,055	1,274	1,596
EPS (INR)	5.9	8.2	9.9	12.4
EPS % Chg YoY	12.9	38.6	20.8	25.2
P/E (x)	69.7	50.3	41.6	33.2
EV/EBITDA (x)	32.5	27.5	22.5	18.8
RoCE (%)	14.8	13.4	14.0	15.0
RoE (%)	24.4	19.7	19.9	20.8

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Market Data

Market Cap (INR)	53bn
Market Cap (USD)	622mn
Bloomberg Code	AVL IN
Reuters Code	ADIV.BO
52-week Range (INR)	575 /284
Free Float (%)	41.0
ADTV-3M (mn) (USD)	0.7

Price Performance (%)	3m	6m	12m
Absolute	(13.5)	(2.9)	21.7
Relative to Sensex	(17.8)	(3.9)	12.4

ESG Score	2023	2024	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	3.5	3.8
EBITDA	0.2	0.5
EPS	(7.9)	(7.0)

Previous Reports

31-01-2025: [Q3FY25 results review](#)

27-12-2024: [Initiating Coverage](#)

Long-term growth story intact

We believe the long-term thesis for Aditya remains intact. There is materially lower penetration of white goods and durables in key geographies (Bihar, Jharkhand and UP). Also, there are only a handful of national chains in these regions and the acceptance of e-commerce is also relatively lower in white goods and durables. Hence, Aditya has strong potential to steadily expand penetration and market share.

Valuation and key risks

We model revenue and PAT CAGRs of 20.2% and 23%, respectively, over FY25–27E. Our DCF-based revised TP stands at INR 490 (implied P/E of 39x FY27E; earlier TP INR 530).

Key risks: Delays in store rollout, steep competitive pressures and execution miss, if any.

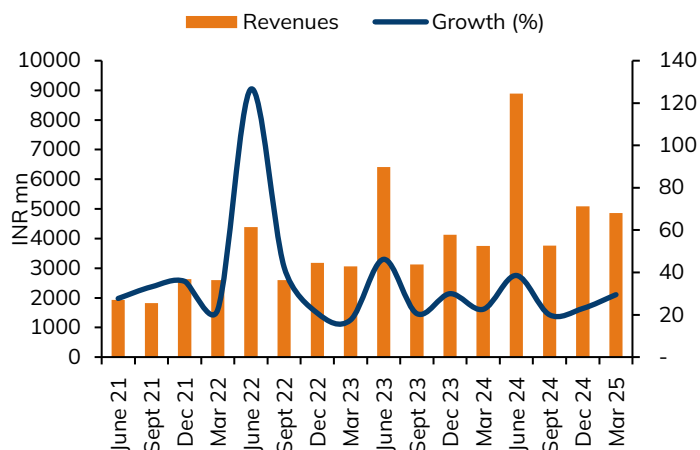
Exhibit 1: Q4FY25 financial performance

Y/e March (INR mn)	Q4FY25	Q4FY24	YoY gr.	Q3FY25	QoQ gr.
Revenue	4,867	3,757	29.6	5,085	(4.3)
Expenditure					
Raw materials	4,041	3,099	30.4	4,292	(5.9)
% of revenue	83.0	82.5		84.4	
Employee cost	211	138	52.9	159	32.8
% of revenue	4.3	3.7		3.1	
Other expenditure	192	143	34.1	168	14.5
% of revenue	4.0	3.8		3.3	
Total expenditure	4,444	3,380	31.5	4,619	(3.8)
EBITDA	423	376	12.4	466	(9.1)
EBITDA margin (%)	8.7	10.0		9.2	
Other income	24	18	36.3	18	34.8
PBDIT	447	394	13.5	484	(7.5)
Depreciation	99	75	33.2	85	16.8
PBIT	348	320	8.9	399	(12.7)
Interest	107	159	(32.9)	87	23.4
PBT	241	160	50.6	312	(22.7)
Prov. for tax	81	82	(0.4)	70	16.6
% of PBT	33.7	51.0		22.4	
PAT before MI/Share of associates	160	79	103.6	242	(34.0)
Minority interest/share of associates	-	-		-	
Adjusted PAT	160	79	103.6	242	(34.0)
Extra ordinary items	-	-	-	-	-
Reported PAT	160	79	103.6	242	(34.0)

Source: Company data, I-Sec research

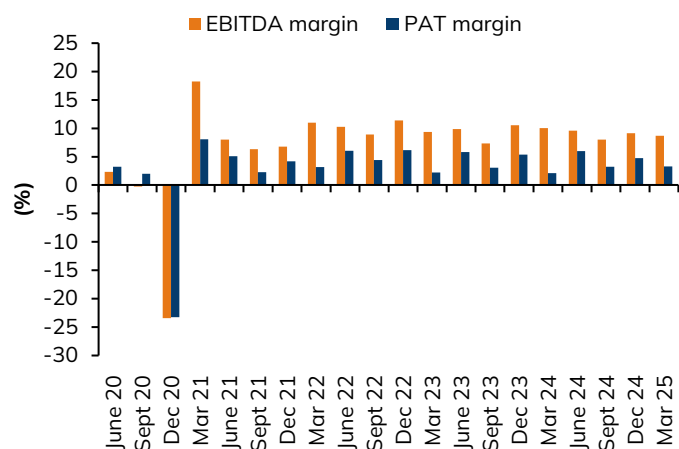
Key performance highlights

Exhibit 2: Revenue and revenue growth



Source: Company data, I-Sec research

Exhibit 3: EBITDA margin



Source: Company data, I-Sec research

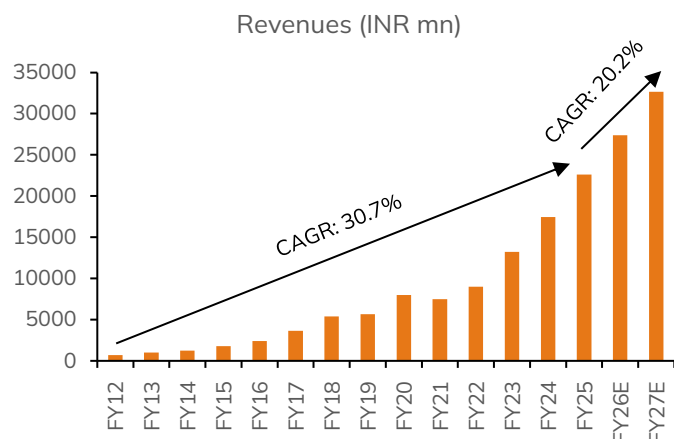
Exhibit 4: Key quarterly details

Particulars	Sept 23	Dec 23	Mar 24	June 24	Sept 24	Dec 24	Mar 25
Revenues (INR mn)	3,131	4,133	3,757	8,888	3,759	5,085	4,867
YoY Growth (%)	20.6%	30.0%	22.7%	38.6%	20.0%	23.0%	29.6%
Store count	130	138	145	150	156	161	175
YoY Growth (%)	47.7%	50.0%	31.8%	28.2%	20.0%	16.7%	20.7%
Square Feet	5,43,600	5,53,600	5,88,400	6,17,800	6,51,500	6,74,700	7,50,100
YoY Growth (%)	69.9%	73.0%	36.8%	43.7%	19.8%	21.9%	27.5%
Revenue per Store (INR mn)	24	30	26	59	24	32	28
YoY Growth (%)	-18.3%	-13.3%	-6.9%	8.1%	0.0%	5.5%	7.3%
Revenue per sq foot (INR)	5,760	7,465	6,385	14,386	5,769	7,536	6,488
YoY Growth (%)	-29.0%	-24.8%	-10.4%	-3.5%	0.2%	1.0%	1.6%

Source: Company data, I-Sec research

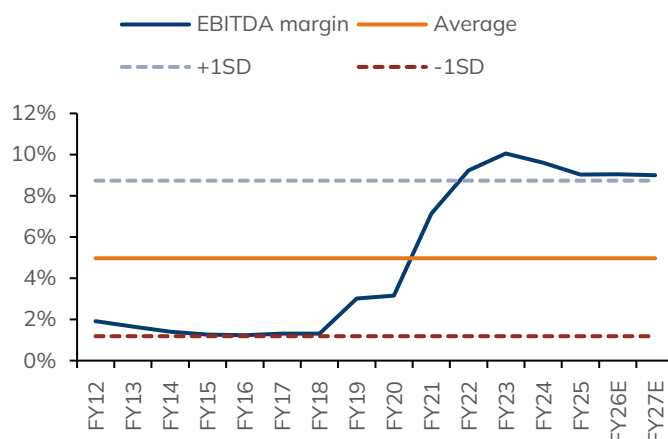
Key indicators – Annual

Exhibit 5: Revenue trend



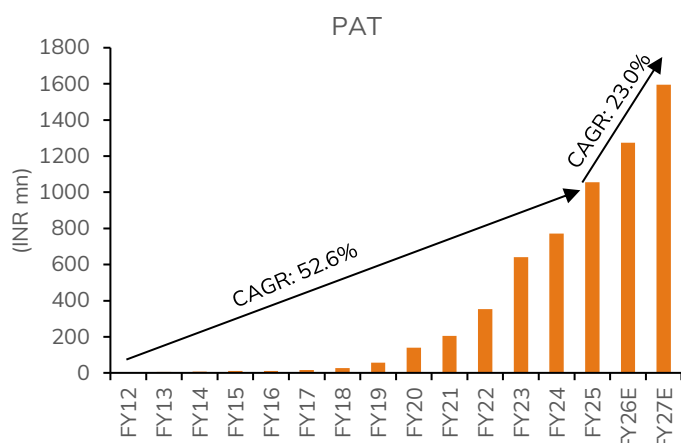
Source: Company data, I-Sec research

Exhibit 6: EBITDA margin



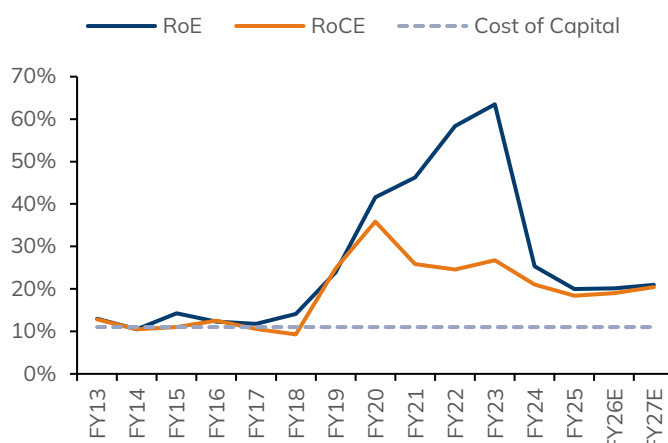
Source: Company data, I-Sec research

Exhibit 7: PAT trend



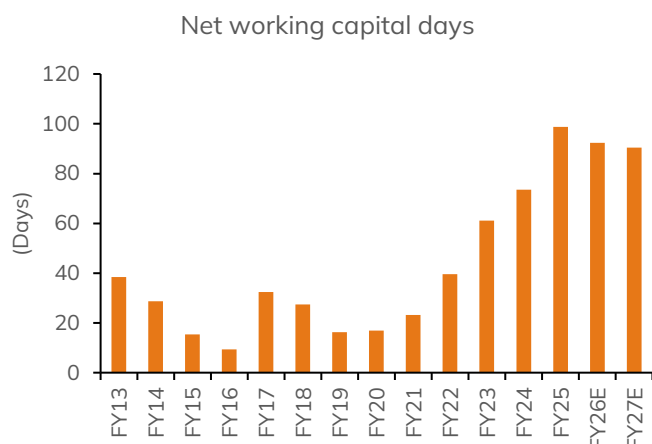
Source: Company data, I-Sec research

Exhibit 8: RoE and RoCE



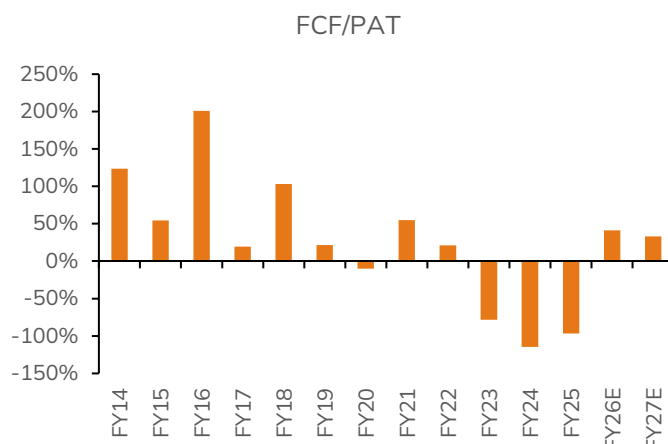
Source: Company data, I-Sec research

Exhibit 9: Net working capital days



Source: Company data, I-Sec research

Exhibit 10: FCF/PAT (%)



Source: Company data, I-Sec research

Valuation and risks

We model revenue and PAT CAGRs of 20.2% and 23%, respectively, over FY25–27E. Our DCF-based revised TP stands at INR 490 (implied P/E of 39x FY27E; earlier TP INR 530).

Exhibit 11: DCF-based valuation

Particulars	
Cost of Equity (%)	11.0%
Terminal growth rate (%)	3.0%
Discounted interim cash flows (INR mn)	26,473
Discounted terminal value (INR mn)	36,541
Total equity value (INR mn)	63,014
Value per share (INR)	490

Source: I-Sec research

Risks

Sharp increase in input prices and competitive pressures

Major increase in input prices and/or increase in competitive pressures may result in downside to our estimates.

Muted consumer response to new products

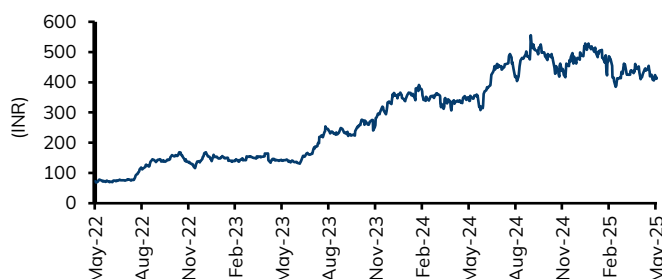
Weaker-than-expected consumer off-take of new launches is risk to our estimates.

Exhibit 12: Shareholding pattern

%	Sep'24	Dec'24	Mar'25
Promoters	53.2	53.2	53.2
Institutional investors	21.8	22.5	26.5
MFs and others	8.3	8.0	9.4
FIs/Banks	0.0	0.0	0.0
Insurance	0.0	0.0	0.0
FIIIs	13.5	14.5	17.1
Others	25.0	24.3	20.3

Source: Bloomberg

Exhibit 13: Price chart



Source: Bloomberg

Financial Summary

Exhibit 14: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	17,433	22,598	27,376	32,645
Operating Expenses	15,770	20,557	24,898	29,707
EBITDA	1,663	2,041	2,477	2,938
EBITDA Margin (%)	9.5	9.0	9.1	9.0
Depreciation & Amortization	286	370	402	443
EBIT	1,377	1,670	2,075	2,495
Interest expenditure	388	317	413	413
Other Non-operating Income	65	78	60	75
Recurring PBT	1,055	1,431	1,722	2,156
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	296	376	448	561
PAT	759	1,055	1,274	1,596
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	759	1,055	1,274	1,596
Net Income (Adjusted)	759	1,055	1,274	1,596

Source Company data, I-Sec research

Exhibit 15: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	5,321	9,132	10,748	12,702
of which cash & cash eqv.	962	1,213	1,599	1,972
Total Current Liabilities & Provisions	844	1,803	2,217	2,644
Net Current Assets	4,477	7,328	8,531	10,058
Investments	838	281	281	281
Net Fixed Assets	2,441	2,681	2,674	2,588
ROU Assets	-	-	-	-
Capital Work-in-Progress	89	63	-	-
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax assets	-	-	-	-
Total Assets	7,846	10,354	11,486	12,927
Liabilities				
Borrowings	3,043	4,594	4,594	4,594
Deferred Tax Liability	(64)	(77)	(77)	(77)
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	128	129	129	129
Reserves & Surplus	4,739	5,708	6,840	8,282
Total Net Worth	4,867	5,837	6,969	8,410
Minority Interest	-	-	-	-
Total Liabilities	7,846	10,354	11,486	12,927

Source Company data, I-Sec research

Exhibit 16: Quarterly trend

(INR mn, year ending March)

	June 24	Sept 24	Dec 24	Mar 25
Net Sales	8,888	3,759	5,085	4,867
% growth (YOY)	38.6	20.0	23.0	29.6
EBITDA	851	301	466	423
Margin %	9.6	8.0	9.2	8.7
Other Income	17	19	18	24
Extraordinaries	-	-	-	-
Adjusted Net Profit	531	122	242	160

Source Company data, I-Sec research

Exhibit 17: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	(551)	(651)	859	885
Working Capital Changes	(1,840)	(2,144)	(817)	(1,155)
Capital Commitments	(345)	(371)	(332)	(357)
Free Cashflow	(896)	(1,022)	527	527
Other investing cashflow	(164)	(150)	-	-
Cashflow from Investing Activities	(509)	(521)	(332)	(357)
Issue of Share Capital	2,809	5	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	(1,453)	1,368	-	-
Dividend paid	(156)	(116)	(141)	(154)
Others	-	-	-	-
Cash flow from Financing Activities	1,201	1,257	(141)	(154)
Chg. in Cash & Bank balance	140	86	386	373
Closing cash & balance	175	261	1,599	1,972

Source Company data, I-Sec research

Exhibit 18: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	5.9	8.2	9.9	12.4
Adjusted EPS (Diluted)	5.9	8.2	9.9	12.4
Cash EPS	8.1	11.1	13.0	15.9
Dividend per share (DPS)	1.2	0.9	1.1	1.2
Book Value per share (BV)	38.0	45.4	54.2	65.4
Dividend Payout (%)	20.5	11.0	11.1	9.7
Growth (%)				
Net Sales	31.8	29.6	21.1	19.3
EBITDA	26.0	22.7	21.4	18.6
EPS (INR)	12.9	38.6	20.8	25.2
Valuation Ratios (x)				
P/E	69.7	50.3	41.6	33.2
P/CEPS	50.6	37.2	31.6	26.0
P/BV	10.9	9.1	7.6	6.3
EV / EBITDA	32.5	27.5	22.5	18.8
P / Sales	3.0	2.3	1.9	1.6
Dividend Yield (%)	0.3	0.2	0.3	0.3
Operating Ratios				
Gross Profit Margins (%)	15.9	15.7	15.7	15.6
EBITDA Margins (%)	9.5	9.0	9.1	9.0
Effective Tax Rate (%)	28.1	26.3	26.0	26.0
Net Profit Margins (%)	4.4	4.7	4.7	4.9
NWC / Total Assets (%)	44.8	59.1	60.3	62.6
Net Debt / Equity (x)	0.3	0.5	0.4	0.3
Net Debt / EBITDA (x)	0.7	1.5	1.1	0.8
Profitability Ratios				
RoCE (%)	14.8	13.4	14.0	15.0
RoE (%)	24.4	19.7	19.9	20.8
RoIC (%)	19.2	16.4	16.5	18.1
Fixed Asset Turnover (x)	7.0	7.2	7.5	8.1
Inventory Turnover Days	103	127	120	119
Receivables Days	0	0	0	0
Payables Days	20	33	32	32

Source Company data, I-Sec research

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