ArihantCapital
Generating Wealth

Q1FY27 Result Update
23rd July 2026

SHOPPERS STOP LIMITED

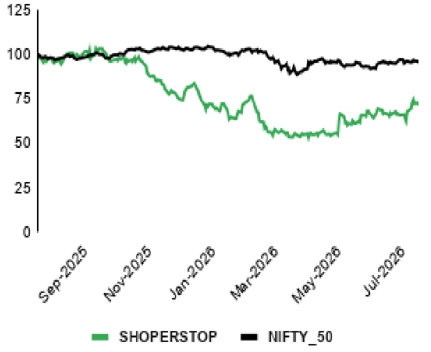
Bridging Aspirational India to Premium Retail Living

CMP: INR 375
Rating: Buy
TP: INR 602

Stock Info	
BSE	532638
NSE	SHOPERSTOP
Bloomberg	SHOP:IN
Reuters	SHOP.NS
Sector	Consumer Discretionary
Face Value (INR)	5
Equity Capital (INR cr)	55.06
Mkt Cap (INR Bn)	41
52w H/L (INR)	567/267
Avg Yearly Volume (in 000')	141.5

Shareholding Pattern % *(As on June 2026)*	
Promoter & Promotor Group	66.06
FII	1.92
DII	25.70
Public & Others	6.34

Stock Performance (%)	1m	6m	12m
SHOPPERSTOP	0.19	(4.7)	(5.4)
Nifty 50	6.95	7.97	(30.5)



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Shoppers Stop Ltd consolidated revenue(GAAP) grew 11.22% YoY (+6.75% QoQ) to INR 1,291.4 Cr, surpassing our estimate of INR 1,248 Cr. EBITDA (Post Ind AS) increased 9.24% YoY (+1.67% QoQ) to INR 187.4 Cr, ahead of our estimate of INR 181.7 Cr, while EBITDA margin declined 26 bps YoY (-72 bps QoQ) to 14.51%, broadly in line with our estimate of 14.56%. On a Non-GAAP basis, consolidated revenue rose 10% YoY to INR 1,536 Cr, Department store sales stood at INR 1,242 Cr with 6% LFL growth, while the beauty segment grew 15% YoY to INR 327 Cr, led by 34% growth in fragrances. GSSBB distribution achieved a record INR 129 Cr in sales (+53% YoY), INTUNE reported INR 82 Cr in sales with a 10% LFL growth, and the premium portfolio contributed 72% of total sales, growing 15% YoY.

Investment Rationale

Successful Execution of Premiumisation Strategy: The strategic pivot toward higher-margin premium segments is yielding results, with the premium portfolio contribution rising to 72%. This shift has directly influenced a 10% YoY increase in Average Bill Value, which now stands at INR 5,744. The company continues to solidify its "first port of call" status for international brands, evidenced by the upcoming launch of two exclusive Swiss watch brands in Q2.

Scalable Beauty Distribution and Retail Turnaround: The beauty segment is a high-growth pillar, with the distribution business (GSSBB) growing at 53% YoY and maintaining a healthy ROCE of 16-17%. In retail, the company successfully turned around the Estee Lauder business, achieving 4.3% LFL growth after five consecutive quarters of decline. The expansion into boutique stores for brands like Nars and Shiseido further enhances its specialized beauty footprint.

Outlook & Valuation: The company has raised its annual like-for-like growth guidance to approximately 6% and remains on track to be debt-free by the end of FY27. The company plans to open 9 to 10 department stores annually, funded entirely through internal cash flows. Strategic initiatives, such as the space productivity project and the launch of exclusive Swiss watch brands in Q2, are expected to drive higher throughput and 3-4% LFL growth. Additionally, the company anticipates a substantial reduction in losses for the intune format starting in Q2 FY27. **We have given TP of INR 602, yielding a 'BUY' rating, and an upside of 60%, arrived at this value using FY29E EV/EBITDA multiple of 9x (Pre IND-AS).**

Particulars (INR Cr)	FY25	FY26	FY27E	FY28E	FY29E
Revenue from Operations	4627.6	5043.3	5813.2	6776.5	7997.2
YoY	7.2%	9.0%	15.3%	16.6%	18.0%
Gross Profit Margin	41.1%	39.8%	40.1%	40.9%	41.8%
EBITDA Margin	15.3%	14.8%	15.6%	16.4%	17.3%
Adj. Net Profit	10.9	-17.1	74.9	211.8	399.0
Adj EPS (INR)	0.99	-3.28	6.81	19.24	36.25
P/E	380.0	-114.7	55.2	19.5	10.4
P/B	12.9	14.2	11.3	7.2	4.2
Debt / Equity	1.06	0.81	0.32	0.14	0.05
ROE	3.4%	-12.4%	20.5%	36.7%	40.9%
ROCE	6.9%	6.6%	10.4%	15.3%	20.3%

INR Cr (Consolidated) GAAP	Q1FY27	Q4FY26	Q1FY26	Q-o-Q	Y-o-Y
Net Revenue	**1,291.4**	**1,209.8**	**1,161.1**	***6.75%***	***11.22%***
Raw Material Costs	782.8	714.4	690.1	*9.57%*	*13.44%*
Gross Profit	508.6	495.4	471.0	*2.67%*	*7.98%*
Gross Margin	*39.38%*	*40.95%*	*40.57%*	*-156bps*	*-118bps*
Employee costs	117.6	118.1	108.7	*-0.42%*	*8.21%*
Other Expenses	203.6	193.0	190.8	*5.52%*	*6.72%*
EBITDA	**187.4**	**184.3**	**171.5**	***1.67%***	***9.24%***
EBITDA margin	*14.51%*	*15.23%*	*14.77%*	*-72bps*	*-26bps*
Other Non-Operating Income	5.4	8.6	10.1	*-37.20%*	*-46.18%*
Depreciation	138.0	144.4	129.3	*-4.39%*	*6.72%*
EBIT	**54.7**	**48.5**	**52.2**	***12.77%***	***4.79%***
Finance costs	73.8	72.1	73.2	*2.30%*	*0.85%*
Exceptional Items	-	1.3	-		
PBT	**-19.0**	**-24.9**	**-20.9**	***-23.48%***	***-8.99%***
Exceptional Items					
Tax Expense	-4.8	-8.5	-5.2	*-43.90%*	*-7.54%*
Effective tax rate	*25.00%*	*34.26%*	*24.73%*	*-926bps*	*27bps*
PAT	**-14.3**	**-16.4**	**-15.7**	***-12.84%***	***-9.47%***
PAT margin	*-1.10%*	*-1.35%*	*-1.36%*	*25bps*	*25bps*
EPS (INR)	**-1.29**	**-1.49**	**-1.43**	***-13.42%***	***-9.79%***

Strong Financial Turnaround and Path to Debt-Free Status: The company has demonstrated significant fundamental improvement, with consolidated topline growth of 10% and a 40% increase in EBITDA for Q1 FY27. Most notably, the company turned PAT positive at INR 5 crores, compared to a loss of INR 4 crores in the previous year(Non-GAAP). The company has its commitment to becoming debt-free by the end of FY27, supported by disciplined capital allocation and strong internal accruals.

Robust Loyalty Ecosystem Driving High Repeat Sales: The First Citizen loyalty program, now 13.8 million members strong, remains a primary competitive advantage. The program contributed an all-time high of 85% to total revenue, boasting a 69% repeat rate. The premium "Black Card" segment saw record enrollments and renewals, indicating a deep value proposition and high customer stickiness within the affluent demographic.

Operational Efficiency through Inventory and Space Optimization: The company has shown rigorous operational discipline by optimizing total inventory by INR 80 crores YoY. Furthermore, the space productivity project aims to increase LFL growth by 3-4% by converting non-productive areas into high-throughput categories like national brands. The use of AI and camera vision to improve store layouts and conversions further supports this drive for efficiency.

Recovery and Stabilisation of the InTune Value Format: Following a period of operational stabilisation, the value-fashion format InTune recorded 10% LFL growth, breaking a four-quarter downward trend. Inventory levels were reduced significantly, and the business is now operating at an optimal 13-week cover. The company plans to focus on unit economics and productivity in existing stores before accelerating further expansion.

Omni-channel Acceleration and Digital Integration: The e-commerce business reported 58% YoY growth, driven by improvements in UI/UX and a 6% increase in online average book value. The integration of the SST.in and SS.com platforms is expected to deliver significant cost savings and operating leverage in the coming quarters, aligning the digital experience with the company's premium offline positioning.

Disciplined Store Expansion and Asset-Light Leanings: The company maintains a steady expansion target of 9-10 departmental stores annually, focusing on up-market designs and premium malls. The company is increasingly utilizing revenue-share models for new stores during the initial 6-12 months to mitigate risk and improve initial productivity. All current expansions are being funded through internal cash flows, underscoring financial self-sufficiency.

Income Statement INR (Cr)	FY25	FY26	FY27E	FY28E	FY29E
Revenue from Operations	**4,627.6**	**5,043.3**	**5,813.2**	**6,776.5**	**7,997.2**
Growth YoY	*7.2%*	*9.0%*	*15.3%*	*16.6%*	*18.0%*
COGS	2,727.2	3,034.7	3,482.1	4,004.9	4,654.4
Growth YoY	*7.2%*	*11.3%*	*14.7%*	*15.0%*	*16.2%*
Personnel/ Employee benefit expenses	424.9	457.7	523.2	609.9	719.7
Growth YoY	*8.1%*	*7.7%*	*14.3%*	*16.6%*	*18.0%*
Manufacturing & Other Expenses	767.2	806.8	901.0	1,050.4	1,239.6
Growth YoY	*16%*	*5%*	*12%*	*17%*	*18%*
Lease Rent Expense (dep on right of use assets / int. on lease liability)	580.94	719.80	756.61	778.61	800.61
EBITDA (Pre IND-AS with lease payment)	**127.47**	**24.25**	**150.24**	**332.74**	**582.90**
EBITDA Margin (%)	**2.8%**	**0.5%**	**2.6%**	**4.9%**	**7.3%**
EBITDA (Post IND AS without lease)	**708.4**	**744.0**	**906.9**	**1,111.4**	**1,383.5**
Growth YoY	*-1.2%*	*5.0%*	*21.9%*	*22.6%*	*24.5%*
EBITDA Margin (%)	**15.3%**	**14.8%**	**15.6%**	**16.4%**	**17.3%**
Depreciation	494.3	540.7	580.4	602.1	624.1
EBIT	**214.1**	**203.3**	**326.4**	**509.3**	**759.4**
EBIT Margin (%)	**4.6%**	**4.0%**	**5.6%**	**7.5%**	**9.5%**
Interest Expenses	261.2	289.5	273.4	269.6	266.8
Non-operating/ Other income	54.1	52.1	46.9	42.7	39.4
Extraordinary expense	0.0	19.0	0.0	0.0	0.0
PBT	**7.0**	**(53.0)**	**99.9**	**282.4**	**532.0**
Tax-Total	(3.9)	(16.9)	25.0	70.6	133.0
PAT	10.9	(36.1)	74.9	211.8	399.0
Adj. Net Profit	**10.9**	**(17.1)**	**74.9**	**211.8**	**399.0**
Growth YoY	*-87.9%*	*-257.0%*	*-538.1%*	*182.7%*	*88.4%*
PAT Margin	**0.2%**	**-0.3%**	**1.3%**	**3.1%**	**5.0%**
Shares o/s paid up equity sh capital	11.0	11.0	11.0	11.0	11.0
Adj EPS (INR)	1.0	(3.3)	6.8	19.2	36.3

Cashflow Statement (INR Cr)	FY25	FY26	FY27E	FY28E	FY29E
Net profit after tax	10.9	-36.1	74.9	211.8	399.0
Profit Before WCC	712.3	741.9	881.9	1040.8	1250.5
CFO	661.5	772.3	796.3	982.8	1193.4
CFI	-853.6	-533.6	-238.6	-226.6	-232.0
CFF	194.9	-240.0	-320.4	-269.6	-266.8
Net cash flow	2.8	-1.3	237.3	486.6	694.7
Opening Cash	11.1	14.0	12.7	250.0	736.6
Closing Cash	14.0	12.7	250.0	736.6	1431.2
Capex (According to PPE and Full dep)	529.6	521.7	561.9	585.8	609.8
FCF	131.9	250.6	234.4	397.0	583.6

Source: Company Filings & Arihant Capital Research

Balance Sheet (INR Cr)	FY25	FY26	FY27E	FY28E	FY29E
Sources of Funds					
Equity Share Capital	55	55	55	55	55
Reserves & Surplus/ Other Equity	266	236	311	523	922
Networth	**321**	**291**	**366**	**578**	**977**
Current Borrowings	550	509	439	399	369
Non-Current Borrowings	2764	2808	2761	2761	2761
Borrowings	3314	3317	3200	3160	3130
Total Funds Employed	**3635**	**3608**	**3566**	**3738**	**4107**
Application of Funds					
Gross block	1128	1180	1230	1280	1330
Less: accumulated depreciation	589	660	728	794	859
Net Fixed Assets	**540**	**521**	**502**	**486**	**472**
Right of Use Assets	2389	2468	2191	1875	1536
Capital WIP	5	4	4	4	4
Other Financial Assets & Investments	173	150	150	150	150
Goodwill	50	45	45	45	45
Other non-current assets	377	393	393	393	393
Current assets	**2560**	**2711**	**3274**	**4084**	**5177**
Inventory	2041	2100	2433	2743	3124
Inventory Days	273	253	255	250	245
Debtors	65	87	80	93	110
Debtors Days	5	6	5	5	5
Other Current Assets	440	512	512	512	512
Bank	0	0	0	0	0
Cash	14	13	250	737	1431
Current Liabilities	**3009**	**3192**	**3433**	**3698**	**4039**
Creditors	2267	2456	2767	3072	3443
Creditors Days	303	295	290	280	270
Other current liabilities	192	227	227	227	227
Provisions	0.04	0.17	0.17	0.17	0.17
Net Working Capital	**-450**	**-481**	**-158**	**386**	**1138**
Total Liabilities and Capital	**6095**	**6291**	**6559**	**7037**	**7776**
Total Assets	**6095**	**6291**	**6559**	**7037**	**7776**

Source: Company Filings & Arihant Capital Research

Key Ratios

Solvency Ratios (X)	FY25	FY26	FY27E	FY28E	FY29E
Debt / Equity	1.06	0.81	0.32	0.14	0.05
Net Debt / Equity	1.02	0.77	-0.36	-1.14	-1.42
Debt / EBITDA	0.48	0.32	0.13	0.07	0.04
Net Debt / EBITDA	0.46	0.30	-0.14	-0.59	-1.00
Debt/ Asset	0.06	0.04	0.02	0.01	0.01
Liquidity Ratios (x)					
Current Ratio	0.85	0.85	0.95	1.10	1.28
Quick Ratio	0.44	0.45	0.49	0.52	0.55
Important Metrics					
Net Debt (includes lease liabilities and excludes investments)	326	223	-131	-658	-1382
FCF	132	251	234	397	584
EV	4361	4361	4361	4361	4361
DuPont Analysis					
Sales/Assets (Asset Turnover)	0.76	0.80	0.89	0.96	1.03
Assets/Equity (Equity Multiplier)	18.97	21.62	17.92	12.18	7.96
Net Profit Margin	0.00	-0.01	0.01	0.03	0.05
RoE	0.03	-0.12	0.20	0.37	0.41
Per share ratios (INR)					
Reported EPS	0.99	-3.28	6.81	19.24	36.25
Adjusted EPS	0.99	-3.28	6.81	19.24	36.25
Dividend	0.00	0.00	0.00	0.00	0.00
BV	29.18	26.43	33.25	52.49	88.74
Cash & Bank	13.97	12.68	249.98	736.57	1431.23
Revenue	420.47	457.98	528.18	615.71	726.62
Profitability ratios					
Gross Profit Margin	41%	40%	40%	41%	42%
EBITDA Margin	15%	15%	16%	16%	17%
EBIT Margin	5%	4%	6%	8%	9%
PAT Margin	0%	-1%	1%	3%	5%
ROE	3%	-12%	20%	37%	41%
ROCE	7%	7%	10%	15%	20%
ROIC	5%	2%	4%	6%	9%
ROA	0%	-1%	1%	3%	5%
Activity ratios					
Inventory Days	273	253	255	250	245
Debtor Days	5	6	5	5	5
Creditor Days	303	295	290	280	270
Days(Cash Cycle)WC Cycle	-25	-37	-30	-25	-20
Valuation ratios (X)					
EV / EBITDA (Pre IND-AS)	34.21	179.87	29.03	13.11	7.48
EV / EBIT	15.55	20.37	21.45	13.36	8.56
EV / Net Sales	1.01	0.94	0.86	0.75	0.64
EPS (INR)	0.99	-3.28	6.81	19.24	36.25
Adj EPS (INR)	0.99	-3.28	6.81	19.24	36.25
CMP	376.00	376.00	376.00	376.00	376.00
P/E	380.01	-114.73	55.24	19.54	10.37
P/B	12.88	14.23	11.31	7.16	4.24

Source: Company Filings & Arihant Capital Research

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Stock Rating Scale	**Absolute Return**
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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