

CMP: INR 546

Outlook: Positive

Stock Info

NSE	SHOPERSTOP
BSE	532638
Bloomberg	SHOP:IN
Reuters	SHOP.NS
Sector	Consumer Discretionary
Face Value (INR)	5
Equity Cap (INR Mn)	550
Mkt Cap (INR Mn)	60,125
52w H/L (INR)	944/468
Avg Yearly Volume (in 000')	102.65

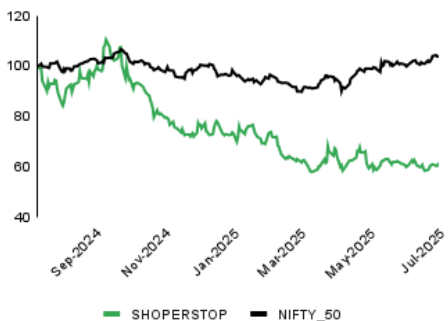
Shareholding Pattern %

(As on Mar 2025)

Promoters & Promoter Group	65.52
Public & Others	34.48

Stock Performance (%)	1m	6m	12m
SHOPERSTOP	10.34	(12.3)	(33.8)
NIFTY50	1.00	8.54	2.48

SHOPERSTOP Vs Nifty 50



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Shoppers Stop is a leading Indian retailer in fashion, lifestyle, and premium beauty, with a strong omnichannel presence across 800+ brands. The company is focused on premiumization, offering luxury global brands like M.A.C., Estee Lauder, and Armani Beauty, along with its own skincare brand, JOYOLOGY. It is upgrading key stores (e.g., Malad Inorbit, Mumbai) with modern designs to elevate customer experience. The company is well-placed to benefit from India's young population, rising urbanization, and a fast-growing digital economy.

Investment Rationale:

Strong Premiumization Strategy: The company has solidified its dominance in the premium retail market, surpassing competitors through its focus on upscale fashion, lifestyle, and beauty offerings. Its 'Glamfluncer' portfolio, featuring global luxury brands and exclusive boutiques like Prada Beauty and Armani Beauty, has fueled robust growth in its premium segment. Strategic store renovations, including the flagship Inorbit Mall location, elevate the customer experience, cementing its position as a leader in India's thriving premium retail landscape.

Strategic Expansion in Value Fashion: The company INTUNE format, focused on the untapped value fashion segment, has expanded swiftly, reaching 71 stores across 30 cities by FY25. Stores operational for over six months generate INR 10,000-11,000 per square foot, with the potential to climb to INR 14,000-15,000 as they mature. The company's plan to add 40-60 INTUNE stores and 6-7 departmental stores in FY26 reflects a strategic and ambitious approach, emphasizing high-traffic mall locations to optimize profitability and broaden customer access.

Premiumization-Driven Turnaround with Resilient Core: Shoppers Stop is undergoing a structural shift toward premiumization, with premium brands contributing 64% of sales and driving higher offline ATV of INR 4942 (+8% YoY) and ASP of INR 1743 (+4%). Renovated store formats, curated brand tie-ups (Armani, Prada, Guess), and loyalty-driven engagement (82% sales via First Citizen program) have strengthened the profitability profile of core departmental stores, which now show consistent KPI improvement. The company's sharper focus on profitable growth, cost discipline, and premium customer experience positions it well for margin expansion as demand revives.

Advanced Omnichannel and Digital Integration: The company has capitalized on India's digital retail surge by seamlessly blending its physical stores with digital platforms, enabling smooth browsing, purchasing, and return processes. With digital transactions expected to grow threefold from 159 billion in 2024 to 424 billion by 2029, the company's omnichannel approach, powered by AI-driven personalization, real-time inventory tracking, and digital payment systems like UPI, positions it to leverage this expansion. Its mobile app and website elevate customer interaction, delivering a seamless and engaging shopping experience.

Outlook & Valuations: Shoppers Stop appears to be a promising retail play, with strong trends in May-June, as indicated by channel checks, likely to support short-term growth. From Q2FY26, the company expects better momentum led by premiumization, strong performance in Beauty, and rapid expansion of its INTUNE value format (targeting 40-60 new stores). The focus remains on profitable growth through cost control, loyalty-driven sales (First Citizen contributes 82%), and a strong omnichannel presence. While demand may stay soft in the near term, the festive season, good monsoon, and rising consumer spending should support a positive outlook for the rest of the year. With an Annual Revenue of INR 4436 Cr, and EBITDA of INR 751 Cr (GAAP) in FY25, **the company is currently valued at an EV/EBITDA multiple of 12.2.**

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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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