

About the Company

Trent Ltd., a part of the Tata Group, is one of India's leading retail companies with a strong presence across fashion, lifestyle, and grocery segments. The company operates popular retail formats such as Westside, Zudio, Star, and Samoh, catering to a wide range of consumer segments. With over 1,200 stores across the country, Trent has established itself as a key beneficiary of India's growing organised retail market, driven by its value-focused offerings, strong private-label portfolio, and aggressive store expansion strategy.

Investment Rationale

- Trent Continues to Set the Pace in Value Fashion Retail:** Trent delivered a strong Q4FY26 performance, with revenue and EBITDA growing 20.2% YoY and 40% YoY, respectively. Growth was supported by healthy traction in emerging categories, 25% growth in online sales, and steady performance from Star. Despite supply-side challenges, the company effectively managed costs through its India-focused sourcing strategy. With improving discretionary demand and the expected benefits of recent GST reforms, Trent remains well-positioned for sustained growth.
- Westside's Expansion Gains Momentum:** While Zudio continues to be Trent's primary growth engine, Westside has emerged as an increasingly important growth driver with a sharp acceleration in store additions during FY26. The company added 52 Westside stores during the year, significantly higher than its historical run rate, taking the total count to 300 stores. Alongside this, Zudio added 198 stores, expanding its network to 963 stores. Trent's strategy of deepening its presence in existing catchments while expanding into Tier II and III cities is yielding positive results, reflected in improved cluster-level productivity, stronger revenues, and enhanced profitability. With a total network of 1,286 stores, store expansion remains a key pillar of Trent's long-term growth strategy.
- Macro Environment Turning Supportive:** The easing of US-Iran tensions and the resulting decline in crude oil prices are expected to support consumer spending and reduce inflationary pressures. This, coupled with Trent's strong store expansion and market share gains, positions the company well to sustain its growth momentum.
- Outlook:** We remain positive on Trent's long-term prospects, supported by accelerated expansion in Westside, sustained growth in lifestyle brands, and healthy profitability. The recent correction in the stock offers an attractive entry opportunity, while structural tailwinds in organised retail and significant market share gain potential position the company well for sustained growth.

Valuation & Analyst Recommendation:

- Considering the company's promising growth outlook, we recommend a BUY on the stock with a target price of Rs 3,340/share, implying a 10% upside potential from the CMP.

Financial Summary

Y/E March (Rs Cr)	Net Sales (Rs Cr)	EBITDA (Rs Cr)	Net Profit (Rs Cr)	EPS (Rs)	PER (x)	ROE (%)	ROCE (%)
FY25	16,668	2,754	1,585	44.6	99.5	26.8	22.8
FY26	19,701	3,643	1,968	55.4	79.1	25.9	22.6
FY27E	24,432	3,676	1,966	55.3	80.2	20.5	19.1
FY28E	27,948	3,345	1,694	47.7	93.1	15.1	14.6

Source: Axis Securities; CMP as on 17th June, 2026

Duration: 3-6 Months

CMP (Rs)	3,035
Target Price (Rs)	3,340
Upside (%)	10%

| Why Trent?

- ✓ **Strong Execution Ahead of Peers**
- ✓ **Aggressive in Its Store Expansion**
- ✓ **Strong Operating Performance**
- ✓ **Margin of Safety After Sharp Correction**

| Key risks

- ✓ **Threat from Online Players**
- ✓ **Lower Disposable Income**
- ✓ **Rising Competitive Intensity**

MARKET DATA

No. of Shares	53 Cr
Market Cap	1,62,629 Cr
52-week High / Low	3053.95/ 2904.45
BSE Code	500251
NSE Code	TRENT

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| OBJECTIVE



Axis Punch is designed to generate solid returns in the short to medium term based on High Conviction Stock Ideas for both investors and traders. This fundamental medium-term product targets a return of 10% plus with an investment horizon of 3 to 6 months. Recommendations under Axis Punch are driven by various business and economic events, company valuations, market direction, or a mix of these factors.

| Axis PUNCH is a strong, research based idea based on



Events-Based: Our recommendations are based on the following critical factors, providing a comprehensive approach to medium-term investment opportunities:

- **Company-Specific Events:** Recommendations consider significant company-specific events such as new orders, product launches, acquisitions, management changes, and the commissioning of new plants.
- **Commodity Price Fluctuations:** We analyse changes in commodity prices, including metals, cement, chemicals, and pharmaceutical materials.
- **Macro-Economic Events:** Key macroeconomic events such as RBI Monetary Policy, US Fed decisions, inflation rates, GDP figures, budget announcements, and changes in government policies are factored into our recommendations.
- **Sector Developments:** Material developments within sectors, including monthly production and sales numbers in industries like Auto, Cement, and Steel, as well as competitive landscape changes due to business actions or new entrants/exits, are considered.
- **Earnings Surprises:** We identify companies expected to report better-than-anticipated earnings in upcoming quarters.
- **Corporate Actions:** Corporate actions such as mergers and acquisitions, capital raising programs, and regulatory announcements that impact a company or its industry form crucial elements for our recommendations.

Strategic Insights: Benefit from insights based on a blend of critical business events, economic trends, and thorough company valuations.

Informed Decisions: Make well-informed investment decisions backed by the expertise of our dedicated research team.

Medium-term Horizon: Enjoy the medium-term investment strategy, perfectly suited for those looking to optimise returns over 3 to 6 months.

| Why to choose Axis PUNCH



These medium-term recommendations are crafted by the fundamental research team of Axis Securities, ensuring a rigorous analysis of developments around the company. Please note that Axis Punch recommendations may differ from our long-term company recommendations. Key investment rationale and risks are clearly highlighted in stock ideas.

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