

06<sup>th</sup> June 2025

Close\* – ₹210

View – **Hold**

## Q4FY25 Performance

- Revenue from operations grew ~4% YoY to ₹414.5crs in Q4FY25 with volume growth of 4%. For FY25, revenue grew by 2%, with volume growth of 3% YoY. During the year, the athleisure category stood out with a significant growth of 26% in volumes, and this trend is expected to continue in FY26 as well.
- EBITDA increased 13.6% YoY to 46crs in Q4FY25, with margin improving by 96 basis points to 11%, reflecting the outcome of a disciplined approach to cost management and operational efficiency.
- Net profit for the quarter grew 26% year-on-year to ₹31crs with the margin improving by 130 basis points to 7.4%.
- Modern trade saw a robust growth of 17% in FY25, taking the top line to ₹63crs and contributing 5% to overall revenues. This highlights a strong presence across the major e-commerce platforms.

## Important Statistics

<b>Nifty</b>	24,750
<b>Sensex</b>	81,442
<b>Close*</b>	210
<b>M.CAP (₹ crs)</b>	₹1656
<b>52 Week H/L (₹)</b>	₹362/₹174
<b>NSE Code</b>	RUPA
<b>BSE Code</b>	533552
<b>Bloomberg Code</b>	RUPA:IN

Close\* as on 5<sup>th</sup> June 2025

## Shareholding pattern (%) Mar'25

Promoter	73.28
Institutions	05.29
Public & Others	21.42

## Key takeaways from Q4FY25 Concall

- The demand for the premium segment to be growing in Q4FY25. Currently, the economy segment has grown well, and premium is also performing well. So, going forward, the raw material prices have stabilized, and management expects that the premium segment and other higher-margin business will grow in the coming quarters and years to come.
- X-factor segment posted with 11% growth, generating ₹229crs, and accounting for 19% of total revenue. We anticipate continued momentum in both modern trade and X-factor areas in FY26.
- Exports also performed well, growing by 24% to ₹31crs, representing 3% of total revenues. While the export pipeline remains healthy, management is closely monitoring geopolitical developments that may impact global demand.
- To enhance brand visibility, Rupa has executed targeted marketing initiatives, including celebrity endorsements and invested ₹63crs in branding and advertising in FY25, representing 5% of revenues. FY26, the company is planning to increase the ASR-Ad to sales ratio by 100 - 150 basis points. (6-6.5% of revenue).
- Cash generated from operations stands at ₹59crs positive, which has been majorly utilized in reducing debt. Net cash surplus, including investment, amounts to 24cr. working capital as on FY '25 stands at ₹811crs.
- The inventory days/ debtor days/ creditor days for FY '25 are 128 days/147 days/44 days, so net working capital days come to around 231 days. And the company is taking necessary steps, like onboarding dealers to the channel financing program to reduce debtors. Also using SAP applications to forecast the demand and produce that much of the inventory would be sufficient to cater the market.
- Exclusive brand outlet count has been expanded to 33 stores, reinforcing the company's commitment to broadening the retail footprint. In FY25 the revenue mix is from different regions- East: ~46%, North: ~27%, West & Central: ~12%, South: ~7%, Northeast: ~5%, Exports: ~3%.
- In FY25 revenue contribution by segment – Men: ~86%, Women: ~10%, Kids: ~4%.

## Relative Performance

Absolute Return (%)	1Yr	3Yr	5Yr
<b>RUPA</b>	<b>-14</b>	<b>-44</b>	<b>29</b>
<b>Nifty 50</b>	9	54	150
<b>Sensex</b>	9	51	143

Source: Company, Way2Wealth Research

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- In FY25, the revenue is from different regions- the East: ~46%, North: ~27%, West & Central: ~12%, South: ~7%, Northeast: ~5%, Exports: ~3%
- The Management has guided its revenue growth of 11-12% for FY26 and EBITDA guidance will be in the range of 10.5% to 11% for FY26. There will be a routine CAPEX of ₹12crs to ₹15crs for FY26.

## Risks

- Inflation in raw material prices
- Competition from both organized & un-organized players
- Slowdown in the economy

## View

Rupa reported modest volume growth of 4% in Q4FY25 and 3% for the full year, reflecting a gradual recovery. The company continues to strengthen its presence in the mid-premium and premium segments. With no significant capex planned for FY26, Rupa is expected to maintain a strong balance sheet, supporting sustained growth momentum over the long term.

Management remains focused on driving domestic sales while also expanding its footprint in exports, modern trade, and the women's wear segment—all of which are expected to contribute meaningfully to long-term performance.

At the current market price of ₹210, the stock is trading at 20x FY25E EPS of ₹10.5. We maintain a **HOLD** rating on the stock.

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## Quarterly Performance

(₹ Cr)

Particulars	Q4FY25	Q4FY24	VAR	Q3FY25	VAR	FY25	FY24	VAR
Net Sales	414.5	399.3	3.81%	316.4	31.0%	1,234.0	1,210.5	1.94%
Other Operating Income	1.0	1.2	-17.5%	0.0	2375.0%	5.3	6.0	-12.4%
Other Income	4.3	5.0	-12.9%	4.4	-1.6%	17.8	16.8	5.8%
<b>TOTAL INCOME</b>	<b>419.8</b>	<b>405.4</b>	<b>3.5%</b>	<b>320.8</b>	<b>30.8%</b>	<b>1,257.1</b>	<b>1,233.3</b>	<b>1.9%</b>
Cost Of Materials Consumed	153.7	146.9	4.6%	114.5	34.2%	601.4	516.5	16.4%
Purchase of stock in trade	2.4	7.8	-69.2%	5.8	-58.7%	17.7	23.3	-24.1%
Stock Adjustment	76.1	66.6	14.3%	36.5	108.7%	(42.7)	77.3	-155.2%
<i>RMC as a %age of sales</i>	<i>55.9%</i>	<i>55.3%</i>		<i>49.6%</i>		<i>46.5%</i>	<i>50.7%</i>	
Employee Benefit Expenses	15.3	14.2	7.5%	15.6	-1.9%	61.1	56.6	8.0%
<i>EPC as a %age of sales</i>	<i>3.7%</i>	<i>3.5%</i>		<i>4.9%</i>		<i>4.9%</i>	<i>4.6%</i>	
Subcontracting / Jobbing	73.8	71.9	2.6%	66.5	11.0%	298.3	247.6	20.5%
<i>Subcontracting/jobbing Expenses as a %age of sales</i>	<i>17.8%</i>	<i>17.9%</i>		<i>21.0%</i>		<i>24.1%</i>	<i>20.4%</i>	
Other Expenses	48.4	52.7	-8.2%	39.6	22.3%	173.2	178.2	-2.8%
<i>Other Expenses as a %age of sales</i>	<i>11.6%</i>	<i>13.2%</i>		<i>12.5%</i>		<i>14.0%</i>	<i>14.6%</i>	
<b>TOTAL EXPENDITURE</b>	<b>369.6</b>	<b>360.1</b>	<b>2.6%</b>	<b>278.4</b>	<b>32.8%</b>	<b>1,108.9</b>	<b>1,099.4</b>	<b>0.9%</b>
<b>EBIDTA</b>	<b>45.9</b>	<b>40.4</b>	<b>13.6%</b>	<b>38.0</b>	<b>20.6%</b>	<b>130.4</b>	<b>117.1</b>	<b>11.3%</b>
<i>EBIDTA Margins %</i>	<i>11.0%</i>	<i>10.1%</i>	<i>1.0%</i>	<i>12.0%</i>		<i>10.5%</i>	<i>9.6%</i>	<i>0.9%</i>
Finance Costs	5.0	4.9	3.5%	5.9	-14.3%	20.8	20.7	0.5%
<b>PBDT</b>	<b>45.2</b>	<b>40.5</b>	<b>11.6%</b>	<b>36.6</b>	<b>23.5%</b>	<b>127.4</b>	<b>113.3</b>	<b>12.5%</b>
Depreciation	3.6	3.7	-3.8%	3.6	-1.6%	14.5	14.7	-1.6%
<b>Profit before exception item</b>	<b>41.6</b>	<b>36.8</b>	<b>13.1%</b>	<b>32.9</b>	<b>26.3%</b>	<b>112.9</b>	<b>98.5</b>	<b>14.6%</b>
Exceptional items		3.8	-100.0%		#DIV/0!	0.0	3.8	-100.0%
<b>PBT</b>	<b>41.6</b>	<b>33.0</b>	<b>26.2%</b>	<b>32.9</b>	<b>26.3%</b>	<b>112.9</b>	<b>94.7</b>	<b>19.2%</b>
Tax	11.0	8.7	25.9%	9.1	20.4%	29.6	24.9	18.8%
<i>Tax Rate</i>	<i>26.4%</i>	<i>26.5%</i>		<i>27.7%</i>		<i>26.2%</i>	<i>26.3%</i>	
<b>Reported Profit After Tax</b>	<b>30.6</b>	<b>24.2</b>	<b>26.3%</b>	<b>23.8</b>	<b>28.6%</b>	<b>83.3</b>	<b>69.8</b>	<b>19.4%</b>
<i>PATM %</i>	<i>7.4%</i>	<i>6.1%</i>	<i>1.3%</i>	<i>7.5%</i>		<i>6.7%</i>	<i>5.7%</i>	<i>1.0%</i>
Other Comprehensive Income (Net of tax)- net credit / (charge)	(0.2)	0.3		0.9		0.0	0.0	
<b>Total Comprehensive Income</b>	<b>30.4</b>	<b>24.5</b>	<b>24.0%</b>	<b>24.7</b>	<b>23.0%</b>	<b>83.3</b>	<b>69.8</b>	<b>19.4%</b>
<b>EPS</b>	<b>3.9</b>	<b>3.0</b>	<b>26.3%</b>	<b>3.0</b>	<b>28.6%</b>	<b>10.5</b>	<b>8.8</b>	<b>19.4%</b>
Equity	8.0	8.0		8.0		8.0	8.0	
Face Value	1.0	1.0		1.0		1.0	1.0	

Source: Company, Way2wealth Research

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Name of the Security	Rupa & Company Ltd.
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
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