

# PRE-IPO NOTE

## Basic Parameters

M Cap.	18 Lac Cr.
CMP	₹ 3000
52 W H/L	4000/2800
Face Value	₹ 10
No. of Shares	499 Cr.

## Financials

Particulars	6MFY23	FY22	FY21	FY20	FY19
Revenue	123474	174980	137206	130627	102085
EBITDA	8301	10537	8245	9405	6064
PAT	4366	4900	4598	5526	3140
EPS	8.74	9	8.92	11.07	6.30

(in Cr.)

## Peer Comparison

Particulars	Reliance Retail	D Mart
Revenue	174980	30960
PAT	4900	1492
Price	₹ 3000	₹ 3955
M. cap	1800000	256150
P/E	333	111

(in Cr.)

## Valuation

Reliance Industries ~45% EBITDA comes from JIO and Retail Business and rest 55% from Oil Business. Reliance Industries is currently trading at ~17 Lac Crores and Reliance Retail is trading at ~18 Lac Crores. So, Fair Value of Reliance Retail would be ~8-10 Lac Crores and Price should be around ₹1500 per share.

## About Reliance Retail

- Reliance Retail today has expanded into India's largest retail conglomerate since its founding in 2006. Additionally, it has concentrated on backward integration and developed a sophisticated infrastructure to support supply chains, technological platforms, and business processes.
- Across the groceries, consumer electronics, fashion & lifestyle, pharmaceutical, and connectivity sectors, Reliance retail operates 15,196 outlets as of March 31, 2022.
- It is also the master distributor for the telecom and FTTH services of Reliance Jio.

## Key Positives of Reliance Retail

- Reliance Retail is India's largest retailer by Revenue, Scale and Profits.
- Across more than 250 cities in India, JioMart is the largest hyperlocal platform, and Reliance Retail has effectively scaled it since its launch in 2019.
- By connecting farmers, small business owners, and consumers, Reliance Retail has developed a cooperative structure in which everyone benefits.
- Reliance Retail has a solid financial risk profile, which is indicated by its comfortable debt protection indicators and contributed by its robust accruals.

## Competition from Other Players

- Reliance Retail faces threats from Dmart and other organised competitors operating in the same areas.
- Unorganised retail market size is ~85% which is the biggest threat to Reliance Retail. However, Reliance Retail's New Commerce initiative is trying to connect these millions of small organised kiranas and merchants across India with suppliers, manufacturers, and brands.

