

## VIP Industries (VIP) - BUY

### Result Update

Current Market Price (CMP)

**Rs. 486**

Fair Value (FV)

**Rs. 635**

### Rationale:

- VIP Industries reported a weak operational performance.
- We expect VIP to push for E-com, digital marketing & Modern Trade channels.
- We expect earnings to grow by 448.8% in FY25E & grow by 61.6% in FY26E.
- Stock is currently trading at valuation of 27.6x P/E FY26E EPS.
- Recommend BUY with a decreased Fair Value of Rs 635 (from Rs 690) at 36x FY26E.

### Q4FY24 Result update:

#### **Positives:**

- Sales was reported at Rs 516.3 cr (+14.6% yoy) with volume growth of 14%.
- Management laid down an 18-month road map to re-gain lost glory & market share.
- Company launched new backpack collection & was received very well.
- ECOM business fundamentals show results with 71% yoy growth.

#### **Negatives:**

- EBIDTA (operating) margins was severely impacted at 1.5%.
- There was weakness in demand, top management changes & increasing competition.

[Click here](#)For detailed report dated 13<sup>th</sup> May 2024. Note: CMP & valuation may differ due to difference in dates.

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Holding Period: 12 Months; Disclaimer: <http://bit.ly/2n5AxIE>