

Analyst viewpoint: Safari Industries has demonstrated robust growth and operational efficiency, making it an attractive investment opportunity in the short to mid-term. The company's annual revenue surged by 41.5% YoY to Rs. 1714 Cr, driven by strategic product diversification and geographical expansion. While quarterly revenue dipped slightly by 3.28% QoQ due to seasonal factors, the annual PAT growth of 28.57% YoY to Rs. 153 Cr underscores improved profitability and operational efficiency. Safari's focus on eco-friendly and smart travel solutions aligns with evolving consumer preferences, positioning the company as a forward-thinking leader in the luggage and travel accessories market. Additionally, its low debt/equity ratio of 0.16 and cash equivalents of Rs. 274 Cr provide ample liquidity for future growth initiatives, while a RoE of 25.2% and RoCE of 29.0% highlight efficient capital utilization.

Despite premium valuations, with a trailing P/E of 82.2 and EV/EBITDA of 47.0, Safari's strong annual growth trends and strategic initiatives justify its market confidence. The company's ability to adapt to changing market dynamics, coupled with its innovative product offerings and expansion into untapped markets, supports its competitive edge. However, quarterly PAT declined by 28.37% QoQ, reflecting potential cost pressures or seasonal fluctuations, which should be monitored closely. Overall, Safari's solid financial performance, strategic focus, and commitment to sustainability make it a compelling buy recommendation for investors seeking growth in the consumer discretionary sector.

Please read detailed disclosure on next page.