

Price: 2,071

Recommendation: Buy

Industry: Plastic Products

Sector: Consumer Discretionary

Report Date: 22-Apr-2025

Safari Industries is a leading name in the luggage and travel accessories market, renowned for innovation and sustainability. The company offers eco-friendly luggage and smart travel solutions, aligning with modern consumer trends. With strategic product diversification, geographical expansion, and robust financial performance, Safari is positioned as a forward-thinking leader in the global industry.

Sales		Profit & Loss		Profitability Matrix	
Current Year	1714 Cr	Operating Profit(Year)	176 Cr	Operating Profit Margin	10.3 %
Previous Year	1211 Cr	Operating Profit(Quarter)	36.0 Cr	EBITDA Margin	14.76 %
Current Quarter	442 Cr	PAT (Year)	153 Cr	Net Profit Margin	9.90 %
Previous Quarter	457 Cr	PAT (Quarter)	25.5 Cr	EPS	25.2
Revenue (QYoY)	388 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	82.2	Sales Growth	15.4 %	Sales Growth	-3.28 %
PEG Ratio	1.99	PAT Growth	28.57 %	Sales Growth QYoY	13.92 %
EV/EBITDA	47.0	EPS Growth	-20.5 %	PAT Growth	16.97 %
P/B	11.9	Dividend Yield	0.13	PAT Growth QYoY	-28.37 %
Capital Allocation		Holdings		Leverage	
RoE	25.2 %	Promoter	45.4 %	Debt/Equity	0.16
RoA	17.3 %	FII	13.2 %	Debt	135 Cr
RoCE	29.0 %	DII	23.7 %	Market Cap	10108 Cr
RoIC	25.6 %	Public	17.6 %	Enterprise value	9969 Cr
		No of Shares	4.89 Cr	Cash Equivalents	274 Cr

source : Company filings

Company's Overview Based on Recent Concall and Performance:

Safari Industries, a prominent player in the luggage and travel accessories market, has recently been focusing on expanding its product portfolio and enhancing its market presence. The company has introduced a range of new products aimed at catering to diverse consumer needs, including eco-friendly luggage options and smart travel accessories. These initiatives are part of Safari's strategy to tap into the growing demand for sustainable and technologically advanced products. By aligning its offerings with current consumer trends, Safari aims to strengthen its brand image and capture a larger market share. This strategic move not only broadens Safari's product range but also positions the company as a forward-thinking leader in the industry.

In addition to product diversification, Safari has been actively pursuing geographical expansion to boost its growth prospects. The company has been exploring opportunities in untapped markets, both domestically and internationally, to increase its footprint. This expansion strategy is supported by strategic partnerships and collaborations with local distributors and retailers, which help Safari penetrate new regions more effectively. By leveraging these partnerships, Safari can enhance its distribution network and improve its supply chain efficiency, ultimately leading to increased sales and revenue growth. This approach reflects Safari's commitment to scaling its operations and achieving long-term sustainability.

Safari's recent financial performance has been bolstered by its strategic initiatives, with the company reporting robust revenue growth in its latest financial results. The focus on innovation and market expansion has contributed to improved profitability and operational efficiency. Key financial metrics, such as revenue growth rate and profit margins, have shown positive trends, indicating the effectiveness of Safari's business strategies. The company's ability to adapt to changing market dynamics and consumer preferences has been a critical factor in its recent success. This adaptability, combined with a strong brand reputation, positions Safari well for future growth and competitiveness in the global market.

To further enhance its growth trajectory, Safari could consider investing in digital transformation initiatives, such as e-commerce platforms and data analytics capabilities. By embracing digital technologies, Safari can improve customer engagement, streamline operations, and gain valuable insights into consumer behavior. Additionally, focusing on sustainability initiatives, such as reducing carbon footprint and promoting circular economy practices, could enhance Safari's brand value and appeal to environmentally conscious consumers. These constructive suggestions, along with continued innovation and market expansion efforts, can help Safari maintain its competitive edge and achieve sustained growth in the evolving travel accessories market.

SAFARI Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
V I P Inds.	4105.07		5.25%	-7.94%	-8.30%	66.09%	-273.71%
Safari Inds.	10108.10	82.23	25.23%	-3.28%	14.02%	16.96%	-28.35%

Aspect	Commentary
Revenue	Safari Industries reported annual revenue of Rs.1714 Cr, a 41.5% increase YoY, driven by product diversification and geographical expansion. Quarterly revenue declined slightly by 3.28% QoQ, reflecting seasonal fluctuations. Strong demand for eco-friendly and smart travel solutions supports long-term growth.
Profit & Loss	Annual PAT reached Rs.153 Cr, up 28.57% YoY, showcasing improved operational efficiency. Quarterly PAT declined by 28.37% QoQ, impacted by higher costs or seasonal factors. EPS stands at Rs.25.2, reflecting consistent shareholder value creation despite short-term fluctuations.
Profitability Matrix	Operating profit margin of 10.3% and EBITDA margin of 14.76% highlight efficient cost management. Net profit margin of 9.90% indicates strong profitability. Quarterly metrics show slight pressure, but annual figures reflect robust operational performance.
Valuation Matrix	Trailing P/E of 82.2 and PEG ratio of 1.99 suggest high growth expectations. EV/EBITDA of 47.0 indicates premium valuation. Dividend yield of 0.13% is modest, reflecting reinvestment focus. P/B ratio of 11.9 signals strong asset utilization and market confidence.
Growth (YoY)	Sales grew 15.4% YoY, driven by strategic initiatives. PAT growth of 28.57% YoY underscores improved profitability. EPS growth declined by 20.5%, possibly due to increased share count or short-term expenses. Overall, annual growth trends remain positive.
Growth (QoQ)	Sales declined 3.28% QoQ, reflecting seasonal trends. PAT grew 16.97% QoQ, indicating operational improvements. However, PAT QYoY dropped 28.37%, signaling potential cost pressures. Quarterly fluctuations are manageable given strong annual growth.
Capital Allocation	RoE of 25.2% and RoCE of 29.0% highlight efficient capital utilization. RoIC of 25.6% reflects strong returns on invested capital. Cash equivalents of Rs.274 Cr provide liquidity for growth initiatives. Debt/Equity ratio of 0.16 indicates low leverage risk.
Holdings	Promoter holding at 45.4% ensures stable governance. FII and DII holdings of 13.2% and 23.7% reflect institutional confidence. Public holding of 17.6% indicates retail investor interest. Strategic ownership structure supports long-term stability and growth.
Leverage	Debt/Equity ratio of 0.16 reflects prudent financial management. Total debt of Rs.135 Cr is manageable given market cap of Rs.10108 Cr. Enterprise value of Rs.9969 Cr highlights strong market positioning. Low leverage supports sustainable growth and expansion.

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.

Explanation of Investment Rating*	
Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (hereinafter referred to as the Regulations).

1. GOALZEN CAPITAL SERVICES PRIVATE LIMITED is a SEBI-Registered Research Analyst having SEBI registration number INH000013448. GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"), the research entity, is engaged in providing research services on securities and information on personal financial products. This Research Report (called Report) is prepared and distributed by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with brand name 'GoalFi' (brand name trademarked to research analyst and company director 'Robin Arya') and used by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with mutual consent.

2. GOALZEN CAPITAL SERVICES PRIVATE LIMITED, its partners, employees, directors or agents, do not have any material adverse disciplinary history as on the date of publication of this report.

3. I, Robin Arya, author/s and the name/s in this report, hereby certify that all of the views expressed in this research report accurately reflect my/our views about the subject issuer(s) or securities. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any financial interest in the subject company.

4. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any material conflict of interest. I/we have not served as director / officer, etc. in the subject company in the last 12-month period.

5. I, Robin Arya, do not hold this stock as part of my investment portfolio at the date of recommendation. I/analysts in the Company have not traded in the subject stock thirty days preceding this research report and will not trade within five days of publication of the research report as required by regulations.

6. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received any compensation from the subject company in the past twelve months. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not been engaged in market making activity for the subject company.

7. In the last 12-month period ending on the last day of the month immediately preceding the date of publication of this research report, GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received compensation or other benefits from the subject company of this research report or any other third-party in connection with this report.

Analyst Certification:

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclaimers:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.

The investment discussed or views expressed may not be suitable for all investors. Certain transactions - including those involving futures, options, another derivative product as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of GOALZEN CAPITAL SERVICES PRIVATE LIMITED. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject GOALZEN CAPITAL SERVICES PRIVATE LIMITED to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees responsible for any such misuse and further agrees to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of GOALZEN CAPITAL SERVICES PRIVATE LIMITED only.

GOALZEN CAPITAL SERVICES PRIVATE LIMITED has a contractual arrangement with a vendor - Smallcase Technologies Private Limited (STPL) whereby STPL provides technology solutions and related back-end infrastructure along with support for back-office related operations & processes. STPL does not provide any investment advice or recommendation nor does it make any claim of returns or performance with respect to any advice or recommendation.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Terms & Conditions:

These Terms and Conditions govern the use of the research subscription services provided by GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"). By subscribing to our services, you agree to these terms, if you disagree with any part of the terms, you must not use our services.

Payment and Renewal:

The subscription fee is non-refundable. No such requests over email or any other channel requesting for refund or for pro-rata refund will be acknowledged if smallcase constituents or research provided is accessed by the user. Please do not subscribe if you disagree with any part of the terms. Subscription renewals will be charged the standard rate unless otherwise notified.

Limitation of Liability:

GoalFi provides research based on data and analysis. The subscriber acknowledges that all investment decisions carry inherent risks, and GoalFi shall not be liable for any losses incurred based on our research.

No Investment Advice:

The content provided under the subscription is purely for informational purposes and should not be construed as investment advice. GoalFi, being a SEBI Registered Research Analyst (RA), provides research insights and not investment advisory services.

Termination:

GoalFi reserves the right to terminate the subscription at any time due to non-compliance with these terms or any other reasons deemed appropriate by us and no refund will be made.

No Guarantee: While we strive to provide accurate and reliable research, there is no guarantee on the returns or performance of the recommendations. Investing in securities involves risks, and there's the potential for losing money.

Review and Update: Our research products are reviewed and updated periodically to reflect the latest market conditions and insights. However, market conditions can change rapidly, and there's no guarantee that the conditions on which recommendations and insights are based will remain the same.

Research Analyst Details:

Name: Robin Arya

Email: smallcase@goalfi.in

Contact: +91-9394306085

GOALZEN CAPITAL SERVICES PRIVATE LIMITED

CIN: U66190TS2023PTC176030

Address: Co ikeva Office 10, Level 3, NSL Centrum, Serene Estate Pvt Ltd, Site No. Phase I and II, Opp KPHB Colony Lane Opp. Forum Mall Kukatpally, HYDERABAD, TELANGANA, 500072

Support Telephone: +91 9063309052, Support Email – support@goalfi.in

Customer having any query/feedback/ clarification/ In case of grievances for any of the services rendered by GOALZEN CAPITAL SERVICES PRIVATE LIMITED, write to hello@goalfi.app

Website: goalfiresearch.smallcase.com