

Strong margin-led beat; retain Reduce on margin band retention

Retail ▶ Result Update ▶ May 09, 2025

CMP (Rs): 3,369 | TP (Rs): 3,200

TTAN's Q4 EBITDA was ~10% better than Street/our estimates, led by stable EBIT margin in the jewelry segment (~12%) vs expectations of a 100-150bps decline. Revenue growth of ~25% in Q4 was strong and in line with the company's business update. TTAN attributed the better than expected margin to operating leverage and one-off benefits from hedging/higher-margin International sales, as gross margin was under pressure due to the 300bps weaker revenue mix (less studded/more coins). Despite the beat, TTAN retained its margin band of 11.0-11.5% (vs 11.4% in FY25) as its focus remains on market share gains. Given the high gold price volatility, consumer sentiment remains slightly suppressed which is also weighing on the balance sheet (Exhibits 1-2). However, TTAN targets high double-digit growth in FY26, with lower operation disruptions and GoI's thrust on boosting consumption. TTAN offered a divergent commentary vis-à-vis the LGD ecosystem, as it believes new price warriors/automation may continue to disrupt LGD prices and challenge the viability of such operations. On retention of margin band and in-line topline, we retain our TP/estimates and our REDUCE. Our estimates are toward the lower end of TTAN's outlook of 15-20% topline CAGR and 11-11.5% for the jewelry segment, as we fear risk from high competitive intensity/weaker mix. Traction in LGD is a downside risk to our estimates.

Strong execution in Q4; continued volatility in Gold price needs to be monitored

Ex-bullion sales, standalone revenue grew 24% in Q4, led by 25% growth in Jewelry, while Watch/Eyewear growth was slower albeit a healthy 16-20%; growth in emerging segments was weak, with Taneira seeing a 4% decline. Among subsidiaries, CaratLane reported a strong ~23% growth, while TEAL's topline declined ~24% though the ~500bps margin improvement helped restrict the EBIT decline for TEAL. Customer-level growth for the jewelry business was a tad slower at 20% (15% SSG). Among regions, growth was led by the South and East, while weak momentum sustained in the North and West (weakest among all). Macro-led spike in gold price continues to dampen the overall consumer sentiment, though Titan sees this as a short-term challenge as it is targeting high double-digit growth on the back of lower operating disruptions and GoI thrust on boosting consumption. Eyewear/Watch segments grew 16%/20%, led by strong 18% growth in the Analog portfolio for watches (Helios/ Fastrack/ Sonata) and International brands/Sunglasses for Eyewear. TTAN has added 43 Tanishq stores in FY25 and increased its retail space by a healthy ~16%, with a similar run-rate expected in FY26 as well. Despite a weak product mix impacting Titan's gross-margin, the adjusted Jewelry EBIT margin decline was restricted to a mere ~20bps in Q4 (vs 100bps in Q3), offset by better overhead management/hedging gains. Better margin performance in Watches, Eyewear, CaratLane, and TEAL helped improve consol EBIT margin by ~20bps to 10.6% in Q4.

Target Price – 12M	Mar-26
Change in TP (%)	-
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	(5.0)

Stock Data	TTAN IN
52-week High (Rs)	3,867
52-week Low (Rs)	2,925
Shares outstanding (mn)	887.8
Market-cap (Rs bn)	2,991
Market-cap (USD mn)	34,896
Net-debt, FY26E (Rs mn)	50,513.9
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	2,934.7
ADTV-3M (USD mn)	34.2
Free float (%)	47.0
Nifty-50	24,273.8
INR/USD	85.7

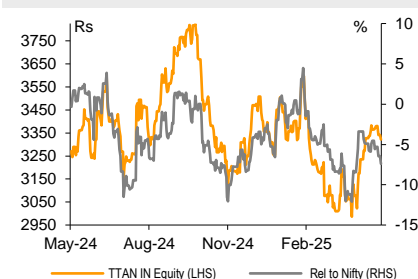
Shareholding, Mar-25

Promoters (%)	52.9
FPIs/MFs (%)	17.8/12.2

Price Performance

(%)	1M	3M	12M
Absolute	7.9	(1.6)	3.4
Rel. to Nifty	0.2	(4.5)	(5.0)

1-Year share price trend (Rs)



Titan Company: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	510,840	604,560	674,279	786,693	910,499
EBITDA	52,920	56,940	71,216	85,756	100,882
Adj. PAT	34,960	33,370	44,673	57,018	67,828
Adj. EPS (Rs)	39.4	37.5	50.2	64.1	76.2
EBITDA margin (%)	10.4	9.4	10.6	10.9	11.1
EBITDA growth (%)	8.5	7.6	25.1	20.4	17.6
Adj. EPS growth (%)	6.8	(4.8)	33.9	27.6	19.0
RoE (%)	32.9	31.8	33.5	33.0	30.5
RoIC (%)	29.0	22.2	24.1	26.4	27.5
P/E (x)	85.6	89.9	67.1	52.6	44.2
EV/EBITDA (x)	57.4	53.3	42.7	35.4	30.1
P/B (x)	31.8	25.8	19.9	15.4	12.1
FCFF yield (%)	0.4	-	1.6	1.5	1.9

Source: Company, Emkay Research

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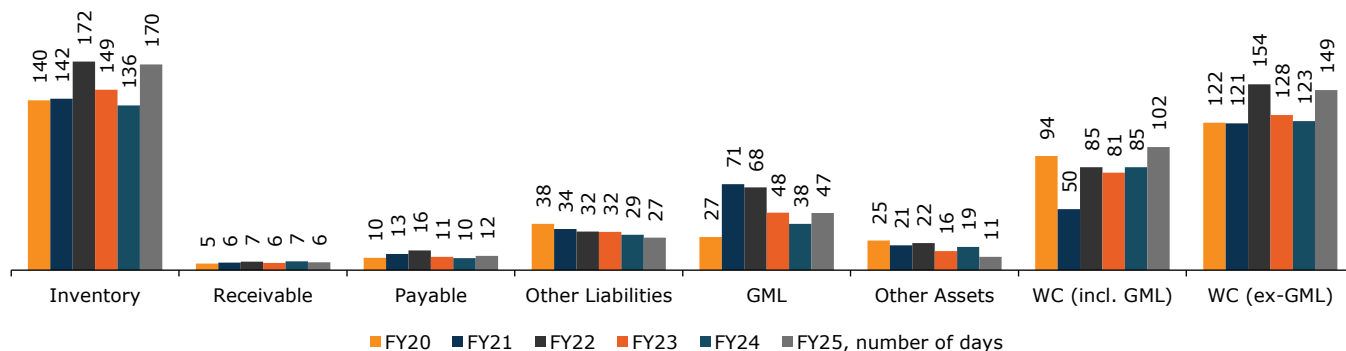
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Earnings call KTAs

- Due to the sharp rise in gold prices, TTAN sees an impact on consumer sentiment, especially in gold jewellery, within the sub-50k price band. In the higher price band, buyer growth is observed, but with higher demand for simple designs with lower 'making' charges.
- To keep its products accessible, Titan has introduced 18-carat gold collections in select stores, and is also experimenting with a 9-carat collection in Caratlane which should enhance customer interest amid rising gold prices.
- More than 95% of TTAN's studded mix comes from the non-solitaire category, the prices of which have been stable across both, the wholesale and retail channels, unlike for larger solitaires (one- or two-carat diamonds) that have seen a decline. Demand for smaller solitaires has also revived, with aggressive promotions of these products through TTAN's distribution network.
- The higher jewelry margins in Q4 were driven by operating leverage, higher-margin primary sales for international business, and hedging gains; TTAN indicated that some hedging benefits may be reversed in coming quarters, depending on the movement of Gold price.
- TTAN has not increased its prices at its US stores as of now, due to tariffs; the company has adopted a wait-and-watch approach currently, as it is hopeful of a bilateral agreement between the US and India.
- TTAN is seeing double-digit growth trends in the sub-Rs50k studded jewelry segment across Tanishq, Mia, and CaratLane. Such growth has been driven by its strategic portfolio play, network expansion across stores, and deeper distribution reach.
- Gold-On-Loan rates had nearly doubled and, with gold prices also rising, finance costs had significantly increased. However, interest rates have normalized to some extent and are now only 75-80bps higher than the historical average (vs ~200bps increase earlier).
- TTAN remains watchful about the LGD segment and has not yet witnessed too many inquiries for the same in its stores; TTAN sees a potential continuous decline in LGD prices due to innovations, tech developments, and productivity.
- TTAN aims for strong double-digit top-line growth in coming quarters which can be driven by either—increase in both ticket sizes, or buyer growth, or both. Key growth drivers include higher government infrastructure spending and a robust wedding season in coming quarter.
- TTAN plans opening 40–50 new Tanishq stores in FY26, while also aiming to renovate, relocate or enlarge its 50–60 existing stores.

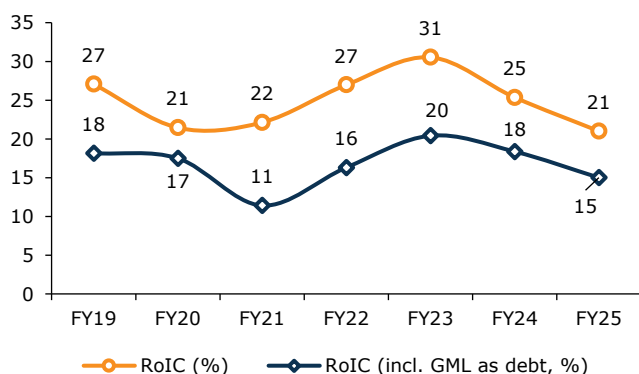
Story in charts

Exhibit 1: Inventory days increased in FY25, on account of lower volumetric sales (Gold price spikes) and festive loading at stores



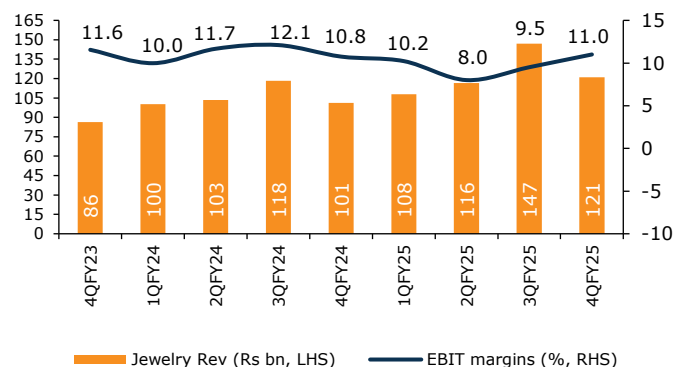
Source: Company, Emkay Research,

Exhibit 2: TTAN's RoIC has been on a declining trend; continued Gold price spikes can further deteriorate the RoIC



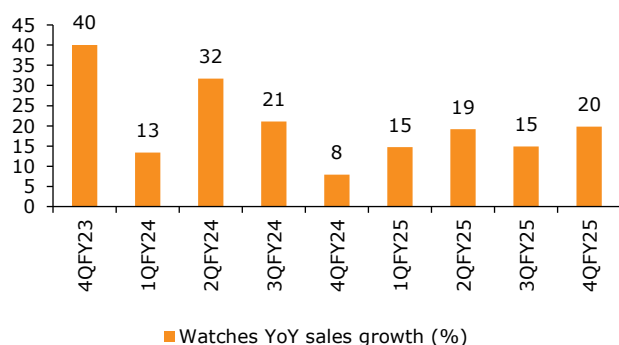
Source: Company, Emkay Research; *RoIC:NOPLAT/Invested Capital; *RoIC (incl GML as debt):NOPLAT/(Invested Capital + GML); Rs5.4bn has been added back in EBIT to adjust for customs duty loss in FY25

Exhibit 3: Jewelry saw a strong ~20% retail growth in Q4; LTL EBIT margin dipped by 25bps to 11.9% due to weaker revenue mix



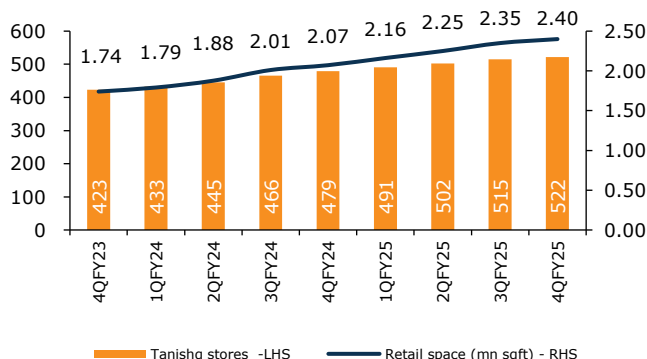
Source: Company, Emkay Research

Exhibit 4: Watches grew 20% in Q3; Watch EBIT margin was up by 330bps to 11.8%, driven by strong growth in Analog watches

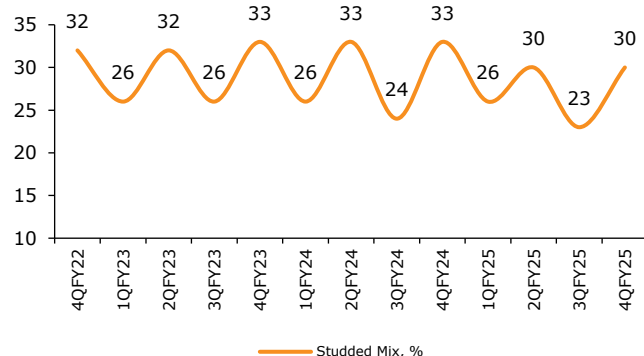


Source: Company, Emkay Research

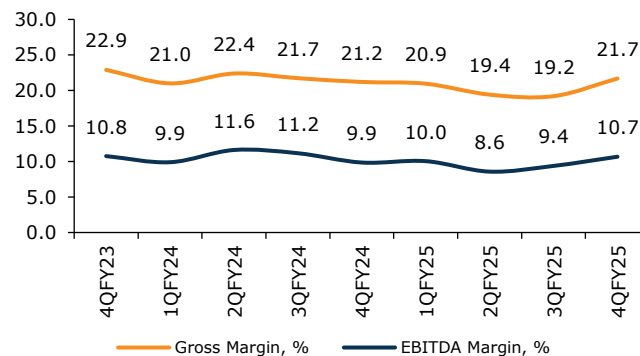
Exhibit 5: Tanishq has added 8/43 stores during Q4/FY25, meeting guidance to add 40-50 stores in FY25



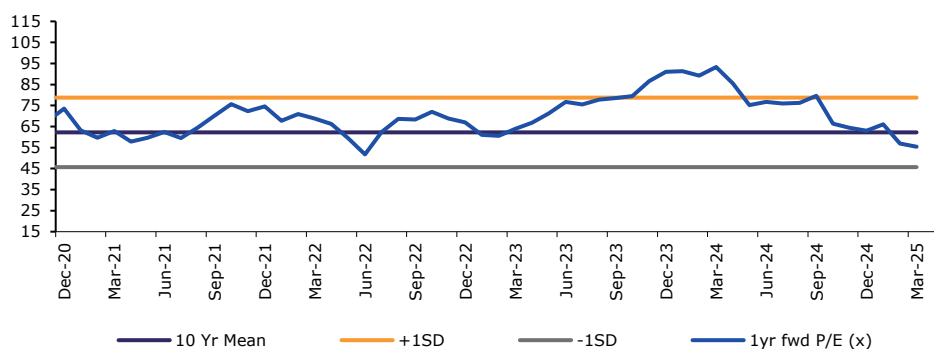
Source: Company, Emkay Research

Exhibit 6: Studded mix declined by 300bps on account of weak product mix; absolute Studded growth was moderate at 12%

Source: Company, Emkay Research

Exhibit 7: Reported Gross/EBITDA margin increased by ~50/80bps due to better operating leverage and hedging gains

Source: Company, Emkay Research

Exhibit 8: Titan's one-year forward P/E

Source: Company, Emkay Research

Exhibit 9: Actual vs Estimates (Q4FY25)

(Rs mn)	Actual	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net Sales	149,160	143,644	137,561	3.8%	8.4%	Topline was better than our estimate
EBITDA	15,370	14,126	13,537	8.8%	13.5%	EBITDA beat was led by operating leverage
EBITDA Margin	10.3%	9.8%	9.8%	47	46	
PAT	8,710	8,396	8,468	3.7%	2.9%	PAT beat was largely due to flow-through of EBITDA

Source: Company, Emkay Research

Exhibit 10: Summary of quarterly results (Reported)

Y/E, March (Rs mn)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Revenue	124,940	132,660	145,340	177,400	149,160	19.4	-15.9	510,840	604,560	18.3
Expenditure	113,030	120,190	132,980	160,660	133,790	18.4	-16.7	457,920	547,620	19.6
Consumption of RM	97,080	103,360	115,220	140,830	115,150	18.6	-18.2	394,320	474,560	20.3
as % of sales	77.7%	77.9%	79.3%	79.4%	77.2%			77.2%	78.5%	
Other expenditure	15,950	16,830	17,760	19,830	18,640	16.9	-6.0	63,600	73,060	14.9
as % of sales	12.8%	12.7%	12.2%	11.2%	12.5%			12.5%	12.1%	
EBITDA	11,910	12,470	12,360	16,740	15,370	29.1	-8.2	52,920	56,940	7.6
Depreciation	1,580	1,640	1,710	1,750	1,830	15.8	4.6	5,840	6,930	18.7
EBIT	10,330	10,830	10,650	14,990	13,540	31.1	-9.7	47,080	50,010	6.2
Other Income	1,590	1,200	1,220	1,280	1,160	-27.0	-9.4	5,330	4,860	-8.8
Interest	2,010	2,300	2,400	2,310	2,520	25.4	9.1	6,190	9,530	54.0
PBT	9,910	9,730	9,470	13,960	12,180	22.9	-12.8	46,220	45,340	-1.9
Total Tax	2,200	2,580	2,440	3,490	3,470	57.7	-0.6	11,270	11,980	6.3
PAT	7,710	7,150	7,030	10,470	8,710	13.0	-16.8	34,950	33,360	-4.5
Extraordinary items	0	0	-10	0	0					
Reported PAT	7,710	7,150	7,040	10,470	8,710	13.0	-16.8	34,960	33,370	-4.5
Minority Interest	0	0	0	0	0					
Adjusted PAT	7,710	7,150	7,040	10,470	8,710	13.0	-16.8	34,920	33,370	-4.4
Adjusted EPS (Rs)	8.7	8.1	7.9	11.8	9.8	13.0	-16.8	39.3	37.6	-4.4
(%)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	(bps)	(bps)	FY24	FY25	(bps)
EBITDA margin	9.5	9.4	8.5	9.4	10.3	-160	90	10.4	9.4	-90
EBIT margin	8.3	8.2	7.3	8.4	9.1	-150	110	9.2	8.3	-90
EBT margin	7.9	7.3	6.5	7.9	8.2	-190	140	9.0	7.5	-150
PAT margin	6.2	5.4	4.8	5.9	5.8	-150	110	6.8	5.5	-130
Effective Tax rate	22.2	26.5	25.8	25.0	28.5	140	-80	24.4	26.4	200

Source: Company, Emkay Research

Exhibit 11: Quarterly snapshot of retail growth

Segment	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
World of Titan	18%	8%	8%	7%	12%	13%	15%	31%	18%
Tanishq	25%	22%	27%	16%	19%	9%	21%	28%	20%
Titan Eye+	22%	13%	9%	0%	4%	8%	5%	11%	10%
Fastrack	11%	-4%	5%	-5%	6%	15%	14%	27%	20%
Helios	45%	40%	38%	36%	30%	24%	43%	47%	38%
LFS (watches)	42%	33%	15%	14%	4%	5%	11%	18%	14%

Source: Company, Emkay Research

Exhibit 12: Quarterly snapshot of LTL growth

Segment	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
World of Titan	11%	2%	2%	3%	7%	9%	11%	25%	14%
Tanishq	19%	22%	22%	10%	14%	3%	15%	22%	15%
Titan Eye+	10%	3%	0%	-6%	0%	7%	3%	9%	0%
Fastrack	8%	-11%	-7%	-13%	-4%	5%	5%	14%	12%
Helios	21%	20%	18%	20%	14%	11%	28%	34%	24%
LFS (watches)	37%	13%	4%	12%	-8%	-7%	3%	16%	10%

Source: Company, Emkay Research

Exhibit 13: Segmental financials (Comparable)

Revenue (Rs mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Watches	8,900	10,920	9,820	9,400	10,210	13,010	11,280	11,260
Jewellery	90,700	85,750	117,090	89,980	98,790	107,630	146,970	112,320
Eyewear	2,030	1,880	1,670	1,660	2,090	2,010	1,940	1,920
Others	760	930	1,120	970	800	1,060	1,180	1,020
Corporate	670	790	1,010	790	740	870	910	280
Total Standalone	103,060	100,270	130,710	102,800	112,630	124,580	162,280	126,800
Caratlane	6,400	6,500	8,930	7,160	7,540	8,290	11,170	8,830
Teal	610	1,250	2,020	3,730	1,970	1,960	1,930	2,840
Others	670	960	150	1,260	940	1,780	3,300	440
Total Consolidated	110,740	108,980	141,810	115,270	123,080	136,610	178,680	138,910

Growth (%)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Watches	13.4	31.7	21.1	7.9	14.7	19.1	14.9	19.8
Jewellery	19.3	19.0	23.0	18.8	8.9	25.5	25.5	24.8
Eyewear	10.9	12.6	-4.0	0.6	3.0	6.9	16.2	15.7
Others	35.7	27.4	25.8	26.0	5.3	14.0	5.4	5.2
Corporate	168.0	119.4	71.2	23.4	10.4	10.1	-9.9	-64.6
Total Standalone	19.2	20.7	22.7	17.4	9.3	24.2	24.2	23.3
Caratlane	32.5	45.1	31.9	23.4	17.8	27.5	25.1	23.3
Teal	-31.5	1.6	61.6	114.4	223.0	56.8	-4.5	-23.9
Others	-174.4	-170.1	-121.4	-243.2	40.3	85.4	2,100.0	-65.1
Total Consolidated	21.3	24.6	24.6	22.4	11.1	25.4	26.0	20.5

EBIT (Rs mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Watches	1,020	1,600	550	800	1,150	1,940	1,110	1,330
Jewellery	9,990	12,060	14,320	10,890	11,030	12,220	16,510	13,310
Eyewear	350	280	140	80	200	240	210	200
Others	-330	-270	-230	-380	-350	-220	-320	-370
Total Standalone	11,030	13,670	14,780	11,390	12,030	14,180	17,510	14,470
Caratlane	350	260	820	520	380	580	1,310	700
Teal	-110	200	250	640	110	250	330	630
Others	-160	-210	-380	-630	-490	-230	-430	-1,100
Total Consolidated	11,110	13,920	15,470	11,920	12,030	14,780	18,720	14,700

Margin (%)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Watches	11.5	14.7	5.6	8.5	11.3	14.9	9.8	11.8
Jewellery	11.0	14.1	12.2	12.1	11.2	11.4	11.2	11.9
Eyewear	17.2	14.9	8.4	4.8	9.6	11.9	10.8	10.4
Total Standalone	10.7	13.6	11.3	11.1	10.7	11.4	10.8	11.4
Caratlane	5.5	4.0	9.2	7.0	5.0	7.0	11.7	7.9
Teal	(18.0)	16.0	12.4	17.2	5.6	12.8	17.1	22.2

Total Consolidated	10.0	12.8	10.9	10.3	9.8	10.8	10.5	10.6
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Source: Company, Emkay Research

Exhibit 14: Peer comparison

Company	Price (Rs)	Mcap (Rs bn)	Reco	Target Price (Rs)	EPS (Rs)			P/E (x)			EV/EBITDA (x)*		
					FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Titan Company	3,369	2,991	REDUCE	3,200	36.6	50.1	64.0	91.9	67.2	52.7	54.8	42.5	35.3
Varun Beverages	489	1,653	BUY	625	8.0	9.7	11.8	61.2	50.6	41.4	35.1	30.6	25.9
Ethos	2,436	60	BUY	3,300	39.3	49.4	66.1	61.9	49.3	36.8	30.2	22.4	16.8
Aditya Vision	412	53	BUY	565	8.1	10.8	14.1	50.7	38.4	29.2	25.8	20.3	15.9
Page Industries	45,160	504	REDUCE	37,550	630.9	696.3	834.1	71.6	64.9	54.1	46.0	41.6	35.0
ABFRL	258	315	ADD	270	-4.7	-1.2	-0.5	NA	NA	NA	17.4	12.8	10.5
Go Fashion	863	47	BUY	950	17.3	19.4	22.1	49.8	44.5	39.0	16.5	14.7	12.8
Jubilant FoodWorks	672	443	ADD	775	3.7	5.9	8.9	181.7	114.1	75.8	28.2	24.2	20.3
Devyani International	173	208	BUY	200	0.3	0.7	1.3	495.8	255.2	135.2	25.5	20.5	16.6
Westlife Foodworld	675	105	ADD	775	0.2	3.9	8.1	2,742.6	175.2	83.5	32.5	24.2	18.8
Sapphire Foods	300	96	BUY	370	0.6	2.0	3.6	500.1	150.5	82.5	19.8	16.2	13.0
Senco Gold	335	55	BUY	500	15.5	15.6	19.8	21.7	21.6	17.0	18.6	11.8	9.5
Metro Brands	1,300	354	Buy	1,500	15.0	18.5	22.4	86.8	70.4	58.1	46.3	38.1	32.1

Source: Company, Emkay Research

Exhibit 15: Changes in estimates

(Rs mn)	FY26E			FY27E			FY28E		
	Old	New	% change	Old	New	Change (%)	Old	New	Change (%)
Revenue	674,279	674,279	0.0	786,694	786,693	0.0	NA	910,499	NA
EBITDA	71,219	71,216	0.0	85,750	85,756	0.0	NA	100,882	NA
EBITDA margin (%)	10.6	10.6	0 bps	10.9	10.9	0 bps	NA	11.1	NA
Net profit	44,484	44,673	0.4	56,805	57,018	0.4	NA	67,828	NA
EPS (Rs)	50.1	50.3	0.4	64.0	64.2	0.4	NA	76.4	NA

Source: Company, Emkay Research

Titan Company: Consolidated Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	510,840	604,560	674,279	786,693	910,499
Revenue growth (%)	25.9	18.3	11.5	16.7	15.7
EBITDA	52,920	56,940	71,216	85,756	100,882
EBITDA growth (%)	8.5	7.6	25.1	20.4	17.6
Depreciation & Amortization	5,840	6,930	7,886	9,106	10,554
EBIT	47,080	50,010	63,330	76,650	90,328
EBIT growth (%)	6.1	6.2	26.6	21.0	17.8
Other operating income	-	-	-	-	-
Other income	5,330	4,860	5,540	6,171	6,789
Financial expense	6,190	9,530	9,700	7,301	7,278
PBT	46,220	45,340	59,170	75,520	89,838
Extraordinary items	0	0	0	0	0
Taxes	11,270	11,980	14,497	18,502	22,010
Minority interest	-	-	-	-	-
Income from JV/Associates	10	10	0	0	0
Reported PAT	34,960	33,370	44,673	57,018	67,828
PAT growth (%)	6.8	(4.5)	33.9	27.6	19.0
Adjusted PAT	34,960	33,370	44,673	57,018	67,828
Diluted EPS (Rs)	39.4	37.5	50.2	64.1	76.2
Diluted EPS growth (%)	6.8	(4.8)	33.9	27.6	19.0
DPS (Rs)	10.0	11.0	11.5	14.0	0
Dividend payout (%)	25.4	29.3	22.9	21.9	0
EBITDA margin (%)	10.4	9.4	10.6	10.9	11.1
EBIT margin (%)	9.2	8.3	9.4	9.7	9.9
Effective tax rate (%)	24.4	26.4	24.5	24.5	24.5
NOPLAT (pre-IndAS)	35,600	36,796	47,814	57,871	68,198
Shares outstanding (mn)	888	890	890	890	890

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	888	890	890	890	890
Reserves & Surplus	93,042	115,350	149,788	194,346	247,934
Net worth	93,930	116,240	150,678	195,236	248,824
Minority interests	0	0	0	0	0
Non current liab. & prov.	22,430	27,240	31,871	36,908	41,949
Total debt	78,380	102,860	82,860	62,860	42,860
Total liabilities & equity	194,740	246,340	265,410	295,004	333,633
Net tangible fixed assets	14,659	15,609	16,335	16,844	17,104
Net intangible assets	2,619	2,684	2,292	1,904	1,517
Net ROU assets	15,430	17,740	20,405	22,718	24,031
Capital WIP	970	1,050	1,050	1,050	1,050
Goodwill	1,230	1,230	1,230	1,230	1,230
Investments [JV/Associates]	6,800	6,520	6,520	6,520	6,520
Cash & equivalents	31,920	29,210	32,346	31,626	39,668
Current assets (ex-cash)	234,730	326,340	362,486	409,824	467,165
Current Liab. & Prov.	116,760	157,390	182,216	203,634	233,833
NWC (ex-cash)	117,970	168,950	180,270	206,191	233,332
Total assets	194,740	246,340	265,410	295,004	333,633
Net debt	46,460	73,650	50,514	31,234	3,192
Capital employed	194,740	246,340	265,410	295,004	333,633
Invested capital	139,620	191,820	205,089	233,090	262,365
BVPS (Rs)	105.8	130.6	169.3	219.4	279.6
Net Debt/Equity (x)	0.5	0.6	0.3	0.2	-
Net Debt/EBITDA (x)	0.9	1.3	0.7	0.4	-
Interest coverage (x)	8.2	5.5	6.8	10.9	12.8
RoCE (%)	33.5	28.0	30.4	33.7	35.3

Source: Company, Emkay Research

Cash flows					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	40,900	40,490	53,630	69,349	83,050
Others (non-cash items)	5,840	6,930	7,886	9,106	10,554
Taxes paid	(12,180)	(10,730)	(14,497)	(18,502)	(22,010)
Change in NWC	(29,313)	(49,490)	(10,901)	(25,444)	(26,598)
Operating cash flow	17,277	3,660	53,705	50,917	62,828
Capital expenditure	(6,360)	(4,033)	(5,000)	(5,500)	(6,000)
Acquisition of business	(3,280)	280	0	0	0
Interest & dividend income	-	-	-	-	-
Investing cash flow	670	4,397	540	671	789
Equity raised/(repaid)	0	2	0	0	0
Debt raised/(repaid)	56,430	24,480	(20,000)	(20,000)	(20,000)
Payment of lease liabilities	(53,061)	(6,748)	(6,033)	(6,736)	(7,457)
Interest paid	(4,260)	(7,242)	(6,954)	(4,006)	(3,324)
Dividend paid (incl tax)	(9,766)	(9,790)	(10,235)	(12,460)	(14,240)
Others	(410)	(10)	0	0	0
Financing cash flow	(11,067)	693	(43,223)	(43,202)	(45,021)
Net chg in Cash	6,880	8,750	11,023	8,386	18,596
OCF	17,277	3,660	53,705	50,917	62,828
Adj. OCF (w/o NWC chg.)	46,590	53,150	64,606	76,361	89,426
FCFF	10,917	(373)	48,705	45,417	56,828
FCFE	6,657	(7,614)	41,751	41,411	53,504
OCF/EBITDA (%)	32.6	6.4	75.4	59.4	62.3
FCFE/PAT (%)	19.0	(22.8)	93.5	72.6	78.9
FCFF/NOPLAT (%)	30.7	(1.0)	101.9	78.5	83.3

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	85.6	89.9	67.1	52.6	44.2
P/CE(x)	80.3	83.1	62.8	49.6	41.8
P/B (x)	31.8	25.8	19.9	15.4	12.1
EV/Sales (x)	5.9	5.0	4.5	3.9	3.3
EV/EBITDA (x)	57.4	53.3	42.7	35.4	30.1
EV/EBIT(x)	64.5	60.7	48.0	39.6	33.6
EV/IC (x)	21.8	15.8	14.8	13.0	11.6
FCFF yield (%)	0.4	-	1.6	1.5	1.9
FCFE yield (%)	0.2	(0.3)	1.4	1.4	1.8
Dividend yield (%)	0.3	0.3	0.3	0.4	0
DuPont-RoE split					
Net profit margin (%)	6.8	5.5	6.6	7.2	7.4
Total asset turnover (x)	3.1	3.0	2.8	3.0	3.1
Assets/Equity (x)	1.5	1.9	1.8	1.5	1.3
RoE (%)	32.9	31.8	33.5	33.0	30.5
DuPont-RoIC					
NOPLAT margin (%)	7.0	6.1	7.1	7.4	7.5
IC turnover (x)	4.2	3.6	3.4	3.6	3.7
RoIC (%)	29.0	22.2	24.1	26.4	27.5
Operating metrics					
Core NWC days	84.3	102.0	97.6	95.7	93.5
Total NWC days	84.3	102.0	97.6	95.7	93.5
Fixed asset turnover	16.8	17.0	16.9	17.4	17.8
Opex-to-revenue (%)	12.5	12.1	12.3	12.1	12.1

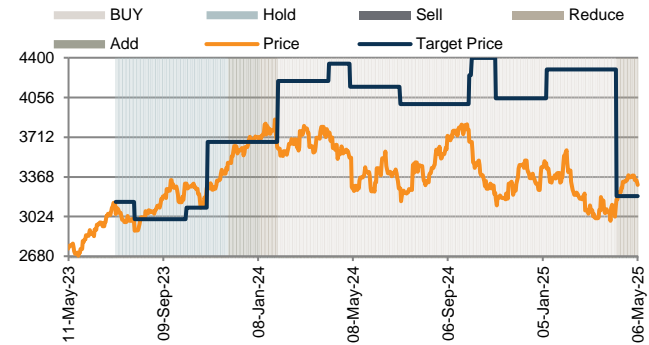
Source: Company, Emkay Research

RECOMMENDATION HISTORY – DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
09-Apr-25	3,174	3,200	Reduce	Devanshu Bansal
05-Feb-25	3,491	4,300	Buy	Devanshu Bansal
10-Jan-25	3,440	4,300	Buy	Devanshu Bansal
06-Nov-24	3,177	4,050	Buy	Devanshu Bansal
06-Oct-24	3,670	4,400	Buy	Devanshu Bansal
03-Oct-24	3,675	4,250	Buy	Devanshu Bansal
03-Aug-24	3,462	4,000	Buy	Devanshu Bansal
23-Jul-24	3,467	4,000	Buy	Devanshu Bansal
07-Jul-24	3,269	4,000	Buy	Devanshu Bansal
02-Jun-24	3,242	4,150	Buy	Devanshu Bansal
04-May-24	3,534	4,150	Buy	Devanshu Bansal
07-Apr-24	3,754	4,350	Buy	Devanshu Bansal
02-Feb-24	3,612	4,200	Buy	Devanshu Bansal
10-Jan-24	3,714	3,670	Reduce	Devanshu Bansal
30-Nov-23	3,491	3,670	Add	Devanshu Bansal
04-Nov-23	3,275	3,670	Hold	Devanshu Bansal
08-Oct-23	3,310	3,100	Hold	Devanshu Bansal
03-Aug-23	2,902	3,000	Hold	Devanshu Bansal
10-Jul-23	3,046	3,150	Hold	Devanshu Bansal

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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