

Titan Company

Estimate changes

TP change

Rating change



Bloomberg	TTAN IN
Equity Shares (m)	888
M.Cap.(INRb)/(USD\$b)	2867.8 / 34.1
52-Week Range (INR)	3887 / 3056
1, 6, 12 Rel. Per (%)	-9/-16/-27
12M Avg Val (INR M)	4249

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	602.2	703.9	821.3
Sales Gr. (%)	17.9	16.9	16.7
EBITDA	60.3	72.5	84.8
EBITDA Margin (%)	10.0	10.3	10.3
Adj. PAT	38.3	47.7	57.0
Adj. EPS (INR)	43.0	53.6	64.0
EPS Gr. (%)	9.6	24.7	19.3
BV/Sh.(INR)	135.7	173.2	218.0

Ratios

RoE (%)	35.7	34.7	32.7
RoCE (%)	16.7	17.3	18.0
Payout (%)	30.0	30.0	30.0

Valuation

P/E (x)	74.4	59.7	50.0
P/BV (x)	23.6	18.5	14.7
EV/EBITDA (x)	47.7	39.5	33.6
Div. Yield (%)	0.4	0.5	0.6

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	52.9	52.9	52.9
DII	11.5	10.9	10.1
FII	18.3	18.3	19.1
Others	17.3	17.9	18.0

FII Includes depository receipts

CMP: INR3,230

TP: INR3,850 (+19%)

Buy

Demand trends positive; miss on margins

- Titan Company (TTAN) posted consolidated sales growth of 16% YoY in 2QFY25 (in line). The pressure on EBITDA margins led to a 7% miss on EBITDA (after adjusting customs duty). Higher interest costs (+71% YoY) and depreciation (+19%) led to only 2% YoY growth in adjusted PAT.
- Jewelry sales growth (standalone, excluding bullion) was strong at 26% YoY (+9% in 1QFY25) due to strong demand recovery after customs duty reduction. Buyer growth was 12% YoY. Studded growth was 12% YoY, and the ratio was 30% (300bp decline YoY). Net store additions were 35 in 2Q, taking the total store count to 1,009. Standalone LFL growth was 15%. Caratlane's growth was strong 28% in 2QFY25.
- Standalone jewelry EBIT margin (excl. bullion, adjusting customs duty) contracted 270bp YoY to 11.4% (est. 13.8%). The margin contraction was driven by rising gold costs, softer demand for large-carat stones amid price fluctuations, and rising competitive intensity. Caratlane's margin expanded 300bp YoY to 7%. For FY25, we model 11.3% standalone jewelry EBIT margin (excl. bullion, adjusting customs duty).
- The watch segment grew 19% YoY. In analog watches, Fastrack, Titan, and Helios clocked 14%, 15%, and 43% YoY growth, respectively, while wearables revenue declined 13% due to price cuts (double-digit volume growth).
- With the jewelry industry seeing faster formalization, we believe that TTAN will continue to benefit, driven by store additions, multi-format presence, better designs and customer understanding, and a strong recall of trust. Although the margin trajectory has been weak for the last 4-5 quarters, we expect limited pressure going ahead. **We reiterate our BUY rating with a TP of INR3,850 (premised on 60x Sep'26E EPS).**

Jewelry sustaining healthy demand; miss on profitability

- **Healthy revenue growth:** TTAN's consolidated revenue grew 16% YoY to INR145.3b (est. INR144.3b). Jewelry sales grew 15% YoY to INR127.7b (est. 127.1b) (ex-bullion sales grew by 27% to INR117.8b). Standalone sales (excl. bullion) grew by 26% to INR107.6b (est. INR102.9) and Caratlane's sales grew 28% YoY. The number of jewelry stores grew 20% YoY to 1,009. Watches, Eyewear, and Others segments clocked revenue growth of 19%, 7%, and 30% YoY.
- **Margin under pressure:** After adjusting the customs duty effect, consol. gross margin declined 70bp YoY to 22.7% (est. 23.1%). EBITDA margin contracted 80bp YoY to 10.5% (est. 11.4%). The standalone jewelry EBIT margin (excl. bullion) contracted 270bp YoY to 11.4% (est. 13.8%). Caratlane's EBIT margin expanded 300bp to 7%. Watches' margin expanded 40bp to 15% and eye care margin dipped 230bp YoY to 10.9%.

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- **Muted profit growth:** After adjusting the customs duty effect, EBITDA grew 8% YoY to INR15.3b (est. INR16.4b) in 2QFY25. PBT declined 1% YoY to INR12.4b (est. INR14.3b) on higher interest (+ 71% YoY to INR2.4b) and higher depreciation (+19% YoY to INR1.7b). Adj. PAT was up 2% YoY to INR9.3b. Reported EBITDA/PBT/APAT (due to customs duty reduction) declined 12%/24%/23%.
- After adjusting the customs duty effect, 1HFY25 net sales grew 14%, EBITDA was up 9%, and APAT was down 2%. In 2HFY25, we estimate net sales/ EBITDA/APAT growth of 22%/18%/20%.

Highlights from the management commentary

- Wedding jewelry demand started picking up after the customs duty reduction announcement, and is expected to remain strong in the next two quarters.
- The average ticket size for studded jewelry has been affected partly by the decline in solitaire demand and delays in launching products in certain price ranges.
- TTAN expects 2H will see better margins than 1H. They expects jewelry EBIT margin of 11% to 11.5% for FY25.
- Customer interest in lab-grown jewelry significantly lower in products priced above INR1 lakh.
- CaratLane's pricing strategy targets the sub-INR50,000 range, with products typically priced between INR30,000 and INR50,000.
- Watches business grew 19% YoY, driven mainly by a ~26% increase in the analog segment, with Sonata/Fastrack up 20%/18% YoY.

Valuation and view

- We cut our EPS estimates by 5% each for FY25/FY26.
- TTAN, with its superior competitive positioning (in sourcing, studded ratio, youth-centric focus, and reinvestment strategy), has continued to outperform other branded players. The brand recall and business moat are not easily replicable; therefore, Tanishq's competitive edge will remain strong in the category. The store count reached 3,171 as of Sep'24, and the expansion story remains intact.
- TTAN's EBITDA margin has been under pressure during FY24 and 1HFY25 owing to a lower studded mix. It will be critical to monitor the margin outlook amid intensifying competition. The non-jewelry business is also scaling up well and will contribute to growth in the medium term. The business currently accounts for 13% of revenue and 12% of EBIT.
- We model a CAGR of 17%/17%/18% in revenue/EBITDA/PAT during FY24-27E. TTAN's valuation is rich, but it offers a long runway for growth with a superior execution track record. **Reiterate BUY with a TP of INR3,850 (based on 60x Sep'26E EPS).**

Consolidated Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Stores (Jewelry)	792	844	898	937	974	1,009	1,045	1,079	937	1,079	1,009	
Net Sales	119.0	125.3	141.6	124.9	132.7	145.3	177.0	147.2	510.8	602.2	144.3	0.7
YoY change (%)	26.0	36.7	22.0	20.6	11.5	16.0	25.0	17.8	25.9	17.9	15.2	
Gross Profit	26.4	29.3	32.9	27.9	29.3	33.0	41.3	34.9	116.5	138.5	33.3	
Margin (%)	22.2	23.4	23.3	22.3	22.1	22.7	23.3	23.7	22.8	23.0	23.1	
EBITDA	11.3	14.1	15.7	11.9	12.5	15.3	17.9	14.6	52.9	60.3	16.4	-7.1
EBITDA growth %	-5.9	13.2	16.2	9.4	10.8	8.2	14.6	22.5	8.5	13.9	16.4	
Margin (%)	9.5	11.3	11.0	9.5	9.4	10.5	10.1	9.9	10.4	10.0	11.4	
Depreciation	1.3	1.4	1.5	1.6	1.6	1.7	1.7	1.7	5.8	6.7	1.7	
Interest	1.1	1.4	1.7	2.0	2.3	2.4	2.0	1.9	6.2	8.6	1.8	
Other Income	1.1	1.2	1.4	1.6	1.2	1.2	1.5	1.6	5.3	5.4	1.4	
PBT	10.0	12.5	13.8	9.9	9.7	12.4	15.7	12.6	46.2	50.4	14.3	-13.7
Tax	2.5	3.4	3.3	2.2	2.6	3.1	3.7	2.8	11.3	12.1	3.5	
Rate (%)	24.6	26.9	23.6	22.2	26.5	24.8	23.3	22.2	24.4	24.0	24.4	
Adjusted PAT	7.6	9.2	10.5	7.7	7.2	9.3	12.0	9.8	35.0	38.3	10.8	-14.1
YoY change (%)	-4.3	9.6	15.5	4.8	-5.4	1.7	14.2	27.0	6.8	9.6	18.4	
Extraordinary	0.0	0.0	0.0	0.0	0.0	2.3	1.6	0.0	0.0	3.9	2.3	0.0
Reported PAT	7.6	9.2	10.5	7.7	7.2	7.0	10.5	9.8	35.0	34.4	8.6	-17.8

E: MOFSL Estimates

*2QFY25 is adjusted with customs duty impact of INR2.9bn

Key exhibits

Exhibit 1: Consolidated segmental snapshot

Consolidated (INR b)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Total Sales	94.9	92.2	117.0	104.7	120.1	126.5	143.0	126.5	133.9	146.6
Watches sales (INR b)	7.9	8.3	8.1	8.8	9.1	10.9	9.9	9.4	10.2	13.0
YoY Growth	168%	20%	14%	41%	16%	32%	22%	6%	12%	19%
Jewellery sales (INR b)	83.5	80.0	104.5	91.2	107.0	110.8	127.4	110.1	118.1	127.7
YoY Growth	174%	22%	15%	33%	28%	39%	22%	21%	10%	15%
Jewellery (excluding gold ingots)	80.0	75.2	101.3	80.7	97.6	92.7	125.6	98.2	108.1	117.8
YoY Growth	204%	18%	13%	25%	22%	23%	24%	22%	11%	27%
Eyewear sales (INR b)	1.8	1.7	1.7	1.7	2.0	1.9	1.7	1.7	2.1	2.0
YoY Growth	173%	4%	12%	23%	11%	13%	-3%	1%	3%	7%
Others	1.7	2.3	2.7	3.1	2.0	2.9	4.0	5.4	3.5	3.8
YoY Growth	53%	80%	58%	13%	19%	27%	51%	77%	73%	30%
Total EBIT	11.4	12.0	13.2	10.8	11.1	13.9	15.5	11.9	12.0	14.8
Watches	1.0	1.2	0.8	1.1	1.0	1.6	0.6	0.8	1.1	2.0
YoY Growth	-261%	36%	2%	960%	3%	31%	-32%	-28%	10%	23%
EBIT Margin	12.5%	14.7%	10.1%	12.0%	11.1%	14.7%	5.7%	8.1%	10.9%	15.0%
Jewellery EBIT (INR b)	10.5	10.9	12.4	10.0	10.2	12.2	14.8	10.9	11.0	12.6*
YoY Growth	431%	35%	-3%	26%	-3%	12%	19%	9%	8%	4%
EBIT Margin	12.6%	13.6%	11.9%	11.0%	9.6%	11.0%	11.6%	9.9%	9.3%	9.9%*
Eyewear EBIT (INR b)	0.4	0.3	0.3	0.0	0.4	0.3	0.1	0.1	0.2	0.2
YoY Growth	-377%	-24%	-6%	33%	-3%	-11%	-59%	250%	-46%	-12%
EBIT Margin	19.7%	16.8%	18.4%	1.2%	17.2%	13.2%	7.7%	4.2%	9.0%	10.9%
Others EBIT (INR b)	(0.5)	(0.4)	(0.3)	(0.3)	(0.5)	(0.1)	(0.0)	0.2	(0.3)	(0.0)

2QFY25 is adjusted with customs duty impact of INR2.9bn Source: Company, MOFSL

Exhibit 2: Standalone Jewelry, Caratlane sales, and EBIT margins data

Sales (Standalone) (INRb)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	1QFY25	2QFY25
Jewellery	79.6	76.9	98.3	86.3	100.1	103.3	118.3	101.3	107.9	116.5
-YoY growth (%)	175%	22%	14%	33%	26%	34%	20%	17%	8%	13%
Bullion	3.6	4.8	3.2	10.6	9.4	17.6	1.2	11.3	9.1	8.8
-YoY growth (%)	-16%	151%	483%	181%	163%	264%	-62%	7%	-3%	-50%
% of Jewellery	4%	6%	3%	12%	9%	17%	1%	11%	8%	8%
Jewellery (ex-bullion)	76.0	72.0	95.2	75.8	90.7	85.8	117.1	90.0	98.8	107.6
-YoY growth (%)	208%	18%	11%	24%	19%	19%	23%	19%	9%	26%
Jewellery EBIT (INR m) (ex-bullion)	10.3	11.0	12.4	10.0	10.0	12.1	14.3	10.9	11.0	12.2*
-YoY growth (%)	396%	39%	-2%	30%	-3%	9%	16%	9%	10%	1%
EBIT margin (%)	13.5%	15.3%	13.0%	13.2%	11.0%	14.1%	12.2%	12.1%	11.2%	11.4%*
Caratlane										
Sales (INR m)	4.8	4.5	6.8	5.8	6.4	6.5	8.9	7.5	7.5	8.3
-YoY growth (%)	204%	53%	51%	59%	33%	45%	32%	29%	18%	28%
EBIT (INR m)	0.3	0.3	0.6	0.4	0.4	0.3	0.8	0.5	0.4	0.6
EBIT margin (%)	7.0%	6.5%	9.5%	6.7%	5.5%	4.0%	9.2%	7.0%	5.0%	7.0%

2QFY25 is adjusted with customs duty impact of INR2.9bn Source: Company, MOFSL

**Key highlights from the management interaction****Performance and outlook**

- Consumer demand was healthy in 2Q and remained healthy in Oct'24.
- Demand for large-carat solitaire stones is currently facing pressure due to price volatility, leading to consumers delaying purchases in anticipation of price stabilization.
- The average ticket size for studded jewelry has been affected partly by the decline in solitaire demand and delays in launching products in certain price ranges.
- Wedding jewelry demand started picking up after the customs duty reduction announcement, and is expected to remain strong in the next two quarters.
- Demand for non-solitaire jewelry remained strong in 2Q.
- Lower-priced diamond segments have performed well across brands like CaratLane, Tanishq, and Mia.

Costs and margins

- The decline in margins has been attributed to increased gold costs, pressure on large-carat stone demand due to price uncertainties, and the dynamics of international supply and demand.
- The company expects that 2H will see better margins than 1H.
- Margins for studded jewelry will be influenced by rising gold prices and changes in product mix related to the shares of studded items and gold coins.
- The company expects a margin of 11% to 11.5% for FY25.
- The margin guidance is provided after excluding any one-time inventory loss.

Segmental information**Jewelry (Domestic):**

- Revenue grew ~25% YoY, driven by ~12% more buyers and ~10% higher average spend per buyer.
- Gold segment (including coins) grew ~30% YoY, while studded jewelry saw 12% YoY growth.
- Buyer growth was in double digits YoY.
- Sub-categories, solitaire sales (large size) were impacted as consumers preferred a wait-and-watch approach amid soft international prices.

- Tanishq added 11 new stores, Mia added 12, and Zoya added one new store during the quarter.

Caratlane

- Revenue increased 28% YoY to INR8,290m, with studded category revenue growing around 41% YoY for the quarter.
- The contribution from studded products improved by ~7pp to around 79% in 2Q.
- Activations in Jul-Aug'24 led to a 21% YoY increase in new customer acquisition and 30% YoY growth in brand searches.
- The company launched two special collections 'Peak' and 'Disney' in 2QFY25.
- EBIT was INR580m, reflecting a 7% margin.
- CaratLane added 11 new stores during the quarter, bringing the total to 286 stores across 119 cities in India.

Watches & Wearables (Domestic):

- The business grew 19% YoY, driven mainly by a ~26% increase in the analog segment, with Sonata/Fastrack up 20%/18% YoY.
- Titan brand clocked ~32% YoY growth, while Helios saw strong growth of 43%. Titan World achieved ~15% YoY growth.
- Wearables saw double-digit volume growth but a ~13% YoY revenue drop due to lower average selling prices.
- The company opened 34 new stores, increasing the total to 1,171, including 18 for Titan World and 14 for Helios, and 2 for Fastrack.

EyeCare (Domestic):

- The division grew 7% YoY, with frames and lenses saw healthy double-digit growth in volumes, partly offset by a decline in sunglasses due to seasonality.
- Sales of international brands grew 53% YoY, reflecting strong consumer demand for premium offerings.
- In 3QFY25, the launch of aggressively priced affordable fashion frames and lenses led to a decline in ASP, which impacted revenue growth despite strong volume growth in key categories.
- A&P spending saw double-digit YoY growth for the quarter.
- The company opened 3 new stores during the quarter.

Emerging businesses

- Taneira grew ~12% YoY, mainly due to 4 new stores, expanding to 81 locations in 41 cities.
- Revenue in Fragrances grew ~19% YoY, driven by SKINN's strong 26% growth, supported by a 27% increase in volume.
- Fastrack and IRTH bags saw double-digit growth, with normalized revenue growth in Fashion Accessories (excluding discontinued belts and wallets) at ~76% YoY.

International Businesses

- Revenue from international jewelry operations increased ~62% YoY to INR2,730m, primarily driven by an increase in stores across the GCC, North America, and Singapore, along with strong sales in the UAE.

- The quarter saw the opening of a second Mia store in Abu Dhabi, expanding the international jewelry footprint to 18 stores, including 16 Tanishq and 2 Mia locations.
- Other segments, mainly watches, posted 49% YoY growth, driven by business expansion in the GCC and Southeast Asia, as well as contributions from exports in Vietnam and Bangladesh, along with EBOs in Dubai.

Others

- Customer interest in lab-grown jewelry significantly decreases in products priced above INR 1 lakh.
- In the American market, customers tend to buy bigger products for their budget, which affects pricing.
- CaratLane's pricing strategy targets the sub-INR50,000 range, with products typically priced between INR30,000 and INR50,000.
- The analogue watch segment has placed a strong emphasis on product innovation.
- The company sources gold through its gold-on-lease program, where the price is fixed on the date of sale, providing a natural hedge against price exposure, but the inventory is still exposed to customs duty variation.
- The company opened its first exclusive Peak brand outlet in Oct'24, situated in the Palladium Mall in Mumbai.

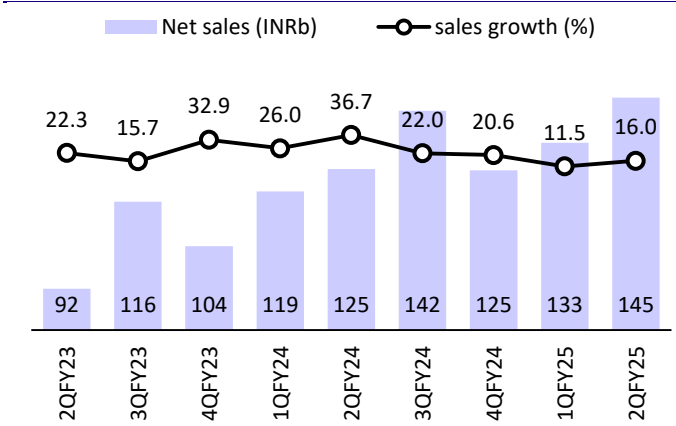
Exhibit 3: 75 new stores were added in 2QFY25, and the total count reached 3,171

*include international Store	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Watches										
World of Titan	570	577	601	622	636	646	655	665	670	688
Fastrack	161	163	170	185	188	193	198	218	225	227
Helios	151	165	182	198	207	212	223	237	242	256
Jewelry										
Tanishq	395	403	411	423	433	445	466	479	491	502
Zoya	5	6	6	7	7	8	8	8	11	12
Mia	63	79	93	111	119	145	162	178	197	209
Carat Lane	143	157	175	222	233	246	262	272	275	286
Eye Wear										
Titan Eye+	786	822	858	896	901	905	913	902	905	908
Fastrack (Eyewear)	3	5	5	5	7	8	8	3	3	2
Others										
Taneira	26	31	36	41	47	51	62	73	77	81
Total	2,303	2,408	2,537	2,710	2,778	2,859	2,957	3,035	3,096	3,171

Source: Company, MOFSL

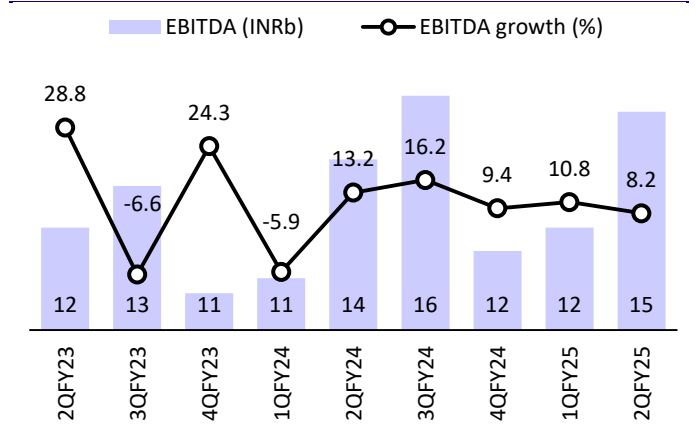
Story in charts

Exhibit 4: Consol. sales grew 16% YoY to INR145b



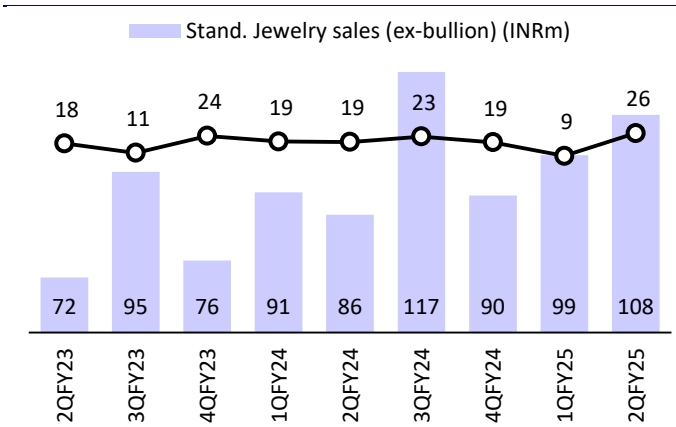
Sources: Company reports, MOFSL

Exhibit 5: Consol. EBITDA rose 8% YoY to INR15b



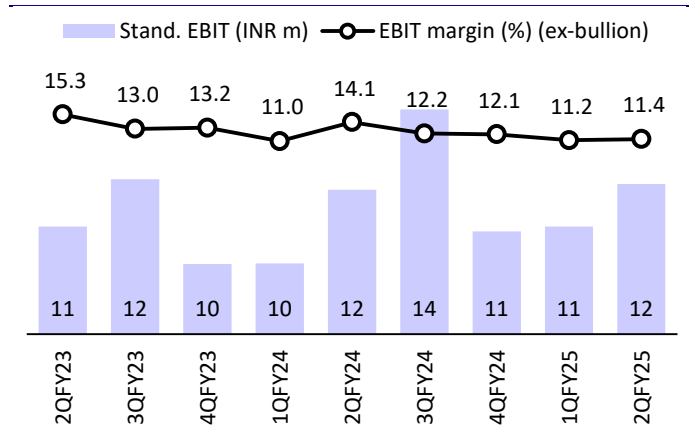
Sources: Company reports, MOFSL

Exhibit 6: Stand. Jewelry sales (ex-bullion) rose 26% YoY to INR108b in 2QFY25



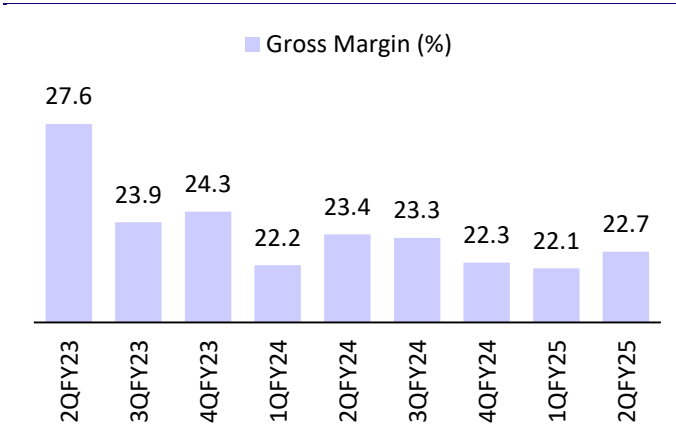
Sources: Company reports, MOFSL

Exhibit 7: Stand. EBIT margin (ex-bullion) contracted by 270bp YoY to 11.4% in 2QFY25



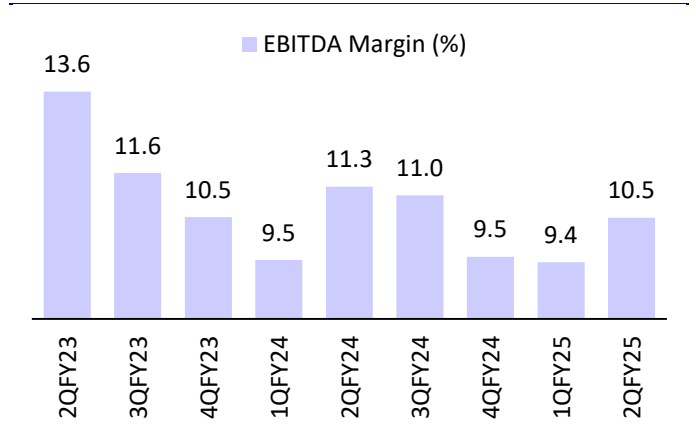
Sources: Company reports, MOFSL

Exhibit 8: Consol. gross margin declined 70bp YoY to 22.7%



Sources: Company reports, MOFSL

Exhibit 9: Consol. EBITDA margin down 80bp YoY to 10.5%



Sources: Company reports, MOFSL

Valuation and view

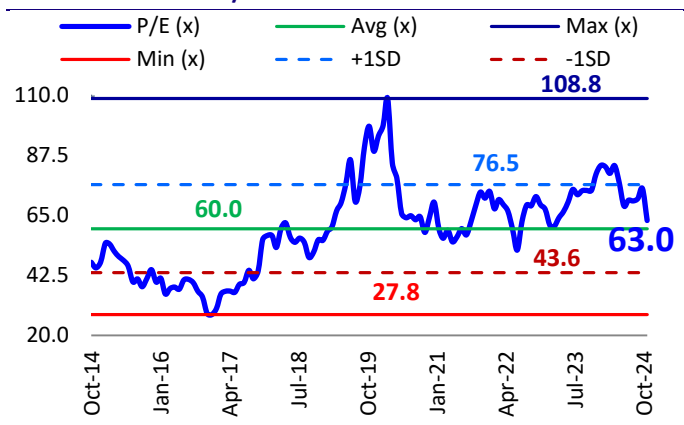
- We cut our EPS estimates by 5% each for FY25/FY26.
- TTAN, with its superior competitive positioning (in sourcing, studded ratio, youth-centric focus, and reinvestment strategy), has continued to outperform other branded players. The brand recall and business moat are not easily replicable; therefore, Tanishq’s competitive edge will remain strong in the category. The store count reached 3,171 as of Sep’24, and the expansion story remains intact.
- TTAN’s EBITDA margin has been under pressure during FY24 and 1HFY25 owing to a lower studded mix. It will be critical to monitor the margin outlook amid intensifying competition. The non-jewelry business is also scaling up well and will contribute to growth in the medium term. The business currently accounts for 13% of revenue and 12% of EBIT.
- We model a CAGR of 17%/17%/18% in revenue/EBITDA/PAT during FY24-27E. TTAN’s valuation is rich, but it offers a long runway for growth with a superior execution track record. **Reiterate BUY with a TP of INR3,850 (based on 60x Sep’26E EPS).**

Exhibit 10: We cut our EPS estimates by ~5% each for FY25/FY26

(INR b)	New		Old		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Sales	602.2	703.9	590.3	688.4	2.0	2.3
EBITDA	60.3	72.5	61.6	73.5	-2.1	-1.3
PAT	38.3	47.7	40.5	50.2	-5.4	-4.9

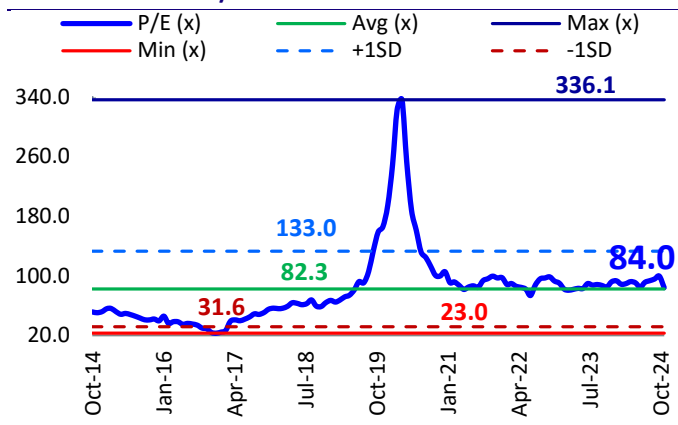
Source: MOFSL

Exhibit 11: TTAN’s P/E



Sources: Company reports, MOFSL

Exhibit 12: Retail P/E's



Sources: Company reports, MOFSL

Financials and valuations

Income Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	197.8	210.5	216.4	288.0	405.8	510.8	602.2	703.9	821.3
Change (%)	22.7	6.4	2.8	33.1	40.9	25.9	17.9	16.9	16.7
Gross Profit	53.8	59.0	52.3	71.6	102.2	116.5	138.5	165.4	193.0
Margin (%)	27.2	28.0	24.2	24.9	25.2	22.8	23.0	23.5	23.5
Other expenditure	33.9	34.0	35.1	37.4	53.4	63.6	78.2	92.9	108.2
EBITDA	19.9	24.9	17.2	34.2	48.8	52.9	60.3	72.5	84.8
Change (%)	21.1	25.1	-30.8	98.5	42.5	8.5	13.9	20.3	16.9
Margin (%)	10.1	11.8	8.0	11.9	12.0	10.4	10.0	10.3	10.3
Depreciation	1.6	3.5	3.8	4.0	4.4	5.8	6.7	6.8	7.6
Int. and Fin. Charges	0.5	1.7	2.0	2.2	3.0	6.2	8.6	7.9	7.8
Other Income - Recurring	1.8	1.5	1.9	2.3	3.1	5.3	5.4	6.3	7.0
Profit before Taxes	19.6	21.3	13.3	30.4	44.5	46.2	50.4	64.1	76.5
Change (%)	26.5	8.8	-37.5	128.2	46.3	4.0	9.0	27.2	19.3
Margin (%)	9.9	10.1	6.2	10.6	11.0	9.0	8.4	9.1	9.3
Tax	6.1	5.8	3.6	7.9	11.5	11.0	12.1	16.3	19.5
Deferred Tax	0.5	-0.4	0.1	0.8	-0.2	-0.3	0.0	0.0	0.0
Tax Rate (%)	29.0	28.9	26.5	23.2	26.4	24.4	24.0	25.5	25.5
Profit after Taxes	13.9	15.2	9.8	23.3	32.7	35.0	38.3	47.7	57.0
Change (%)	24.0	8.9	-35.4	138.4	40.2	6.8	9.6	24.7	19.3
Margin (%)	7.0	7.2	4.5	8.1	8.1	6.8	6.4	6.8	6.9
Extraordinary income	0	0	0	-1	0	0	-4	0	0
Reported PAT	13.9	14.9	9.7	22.0	32.7	35.0	34.4	47.7	57.0

Balance Sheet

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Preference Share Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	59.8	65.8	74.1	92.1	117.6	93.0	119.8	153.3	193.1
Net Worth	60.7	66.7	75.0	93.0	118.5	93.9	120.7	154.2	194.0
Loans	0.3	7.2	1.7	5.2	22.0	78.4	80.4	77.4	67.4
Lease liabilities	0.0	12.4	12.6	13.6	18.7	23.5	27.4	30.1	33.0
Deferred Tax	-0.7	-1.5	-1.0	-1.8	-1.6	-1.8	-1.8	-1.8	-1.8
Capital Employed	84.0	100.7	130.4	164.3	211.2	247.4	288.8	330.0	368.1
Gross Block	15.2	17.5	18.0	19.3	21.9	27.3	30.8	34.3	37.8
Less: Accum. Depn.	3.3	4.6	5.8	7.1	8.4	10.0	12.6	15.0	17.6
Net Fixed Assets	11.8	12.9	12.2	12.2	13.4	17.4	18.3	19.3	20.2
Intangibles	2.4	2.7	2.4	2.3	2.5	3.1	3.4	3.7	3.9
Capital WIP	0.3	0.1	0.2	0.7	1.3	0.9	0.9	0.9	0.9
Right of use asset	0.0	9.3	9.1	9.7	12.9	15.4	15.8	15.9	15.6
Investments	1.1	1.6	28.2	2.9	25.2	23.5	20.0	16.5	16.5
Curr. Assets, L&A	99.3	105.8	109.7	180.8	212.1	252.1	309.0	364.4	415.8
Inventory	70.4	81.0	84.1	136.1	165.8	190.5	222.0	260.2	302.4
Account Receivables	4.2	3.1	3.7	5.7	6.7	10.2	12.4	14.5	16.9
Cash and Bank Balance	10.7	3.8	5.6	15.7	13.4	15.3	35.1	46.7	49.5
Others	14.1	17.9	16.3	23.4	26.1	36.2	39.6	43.1	47.1
Curr. Liab. and Prov.	32.4	33.2	33.0	45.8	57.5	66.3	79.8	92.0	106.1
Current Liabilities	21.4	24.4	23.3	30.5	41.6	48.4	58.7	67.3	77.3
Provisions	2.0	2.9	1.9	2.4	3.7	3.7	4.6	5.4	6.3
Net Current Assets	66.9	72.6	76.6	135.0	154.6	185.9	229.2	272.4	309.7
Misc. Expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Application of Funds	84.0	100.7	130.3	164.3	211.2	247.4	288.8	330.0	368.1

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)									
EPS	15.7	17.1	11.0	26.2	36.8	39.3	43.0	53.6	64.0
Cash EPS	17.3	18.8	12.9	28.2	38.8	41.9	46.0	56.3	67.0
BV/Share	68.2	74.9	84.2	104.5	133.2	105.5	135.7	173.2	218.0
DPS	4.5	6.1	4.0	7.5	10.0	11.0	12.9	16.1	19.2
Payout %	28.9	35.8	36.4	28.6	27.2	28.0	30.0	30.0	30.0
Valuation (x)									
P/E	204.3	187.5	290.2	122.0	87.0	81.5	74.4	59.7	50.0
Cash P/E	185.1	170.0	248.7	113.4	82.5	76.5	69.6	56.8	47.8
EV/Sales	14.3	13.5	13.0	9.8	7.0	5.7	4.8	4.1	3.5
EV/EBITDA	142.4	114.4	163.3	82.8	58.0	54.6	47.7	39.5	33.6
P/BV	46.9	42.7	38.0	30.6	24.0	30.3	23.6	18.5	14.7
Dividend Yield (%)	0.1	0.2	0.1	0.2	0.3	0.3	0.4	0.5	0.6
Return Ratios (%)									
RoE	24.9	23.8	13.8	27.8	30.9	32.9	35.7	34.7	32.7
RoCE	18.9	17.7	9.8	17.0	18.6	17.3	16.7	17.3	18.0
RoIC	19.6	18.2	10.3	19.2	20.7	18.8	18.5	19.6	20.3
Working Capital Ratios									
Debtor (Days)	8	5	6	7	6	7	8	8	8
Asset Turnover (x)	2.4	2.1	1.7	1.8	1.9	2.1	2.1	2.1	2.2
Leverage Ratio									
Debt/Equity (x)	0.0	0.1	0.0	0.1	0.2	0.8	0.7	0.5	0.3

Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
(INR b)									
OP/(loss) before Tax	19.6	21.0	13.3	29.0	44.5	46.2	50.4	64.1	76.5
Int./Div. Received	1.1	-0.4	-0.6	-1.3	-1.1	-1.7	-5.4	-6.3	-7.0
Deferred Revenue Exp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation & Amort.	1.6	3.5	3.8	4.0	4.4	5.8	6.7	6.8	7.6
Interest Paid	-0.5	0.7	1.4	1.2	1.6	3.7	8.6	7.9	7.8
Direct Taxes Paid	6.4	5.6	2.7	8.0	11.5	11.7	12.1	16.3	19.5
Incr in WC	3.0	22.7	-26.2	32.2	24.1	25.4	14.8	23.5	29.2
CF from Operations	12.4	-3.5	41.4	-7.2	13.7	17.0	33.4	32.7	36.1
Incr in FA	2.6	3.5	1.4	2.2	4.2	6.7	4.3	4.3	4.3
Free Cash Flow	9.8	-6.9	40.0	-9.4	9.5	10.2	29.1	28.4	31.8
Investments	0.2	-3.2	27.3	-16.4	18.6	-3.1	-3.5	-3.5	0.0
Others	0.2	0.7	-1.4	-7.1	-2.2	-1.8	-1.4	-2.2	-3.0
CF from Invest.	-3.1	-1.0	-27.3	21.4	-20.6	-1.8	0.6	1.4	-1.3
Issue of Shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Incr in Debt	0.0	6.9	-5.6	3.4	16.8	56.3	2.0	-3.0	-10.0
Dividend Paid	4.0	5.4	3.6	3.6	6.7	8.9	11.5	14.3	17.1
Others	0.9	4.0	3.2	3.9	5.5	60.7	4.7	5.2	4.9
CF from Fin. Activity	-4.9	-2.4	-12.3	-4.0	4.6	-13.3	-14.2	-22.5	-32.0
Incr/Decr of Cash	4.5	-6.9	1.8	10.1	-2.3	1.8	19.8	11.6	2.8
Add: Opening Balance	6.2	10.7	3.8	5.6	15.7	13.4	15.3	35.1	46.7
Closing Balance	10.7	3.8	5.6	15.7	13.4	15.3	35.1	46.7	49.5

E: MOFSL Estimates

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