# BUY Senco Gold

## Best-in-class SSG; expects gradual margin gains

**Retail** ▸ Result Update ▸ **August 13, 2026**

**CMP (Rs): 346 | TP (Rs): 575**

**We reiterate BUY on Senco with unchanged TP of Rs575 (21x Jun-28E EPS), buoyed by better SSG performance in 1Q (39% vs 33%/28% for Tanishq/Kalyan), growing franchisee interest in non-core territories, and inexpensive valuations. Senco continued its strong topline momentum with ~67% yoy growth (~50% retail growth) and is targeting Rs200bn topline by FY30 (~24% CAGR over FY26-30). While reported EBITDA growth was slow at ~16%, like-for-like EBITDA growth remained healthy at ~30%, adjusting for 100-120bps of inventory gain called out in the base quarter. Senco expects margins to improve gradually, targeting 7.5-7.8% EBITDA margin in FY27 and +8% by FY30 (vs 7.0% in 1Q). Senco added 7 net stores in 1Q, of which 4 were franchise stores, and we see the emerging franchisee traction in non-core regions as a step toward strengthening its position as a pan-India jewelry brand. This is likely to help accelerate Senco's asset-light expansion, as it plans to add 12-15 stores in 9MFY27, with emphasis on franchisee stores. Senco currently trades at an inexpensive 1-YF valuation of ~15x EPS.**

### Robust topline growth; reiterates its full-year EBITDA margin guidance

Senco delivered another robust quarter of strong revenue growth of ~67% yoy in 1Q (50% retail sales growth), led by 39% SSG and the rest through store adds. April witnessed strong traction, contributing ~55% of 1Q topline, while growth moderated in May. However, consumer sentiment improved in July, with sales growth at ~25% yoy. Senco expanded its network with 7 new stores in 1Q (excluding Sennes), of which 4 were opened via franchisees, taking the total store-count to 196 (89 franchisee stores). It expects to add 12-15 stores in the rest of FY27, with continued strategic emphasis on the franchisee model. Gross/EBITDA margin at ~16%/7%, was down ~300bps yoy, largely due to one-off hedging gains of ~100-120bps called out in the base quarter, higher competitive intensity, and exchange sales (~43% of sales). The management remains conservative and reiterated its annual guidance of 20-25% topline growth and EBITDA margin of 7.5-7.8%, and targets Rs200bn topline and +8% EBITDA margin by FY30.

### Healthy traction in lightweight jewelry drives strong growth in diamond jewelry

Diamond jewelry saw strong growth of ~43% yoy in 1Q (18% volume growth), led by healthy traction in the light weight (sub-50k) category. Senco is expanding its lightweight jewellery portfolio beyond women-focused offerings with the launch of 'Aham', a new men's jewellery collection featuring titanium combined with gold and diamonds. The company is among the early players in India to launch titanium jewelry and is offering the portfolio in the affordable price range of Rs20–Rs100k while retaining diamond content, which could support margins. Senco intends to continue prioritizing lightweight jewelry collections in FY27, supported by ongoing design innovation and affordability.

| Senco Gold: Financial Snapshot (Consolidated) | | | | | |
|---|---|---|---|---|---|
| **Y/E (Rs mn)** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
| Revenue | 63,281 | 84,300 | 104,890 | 125,897 | 151,047 |
| EBITDA | 3,676 | 9,690 | 7,469 | 9,079 | 10,984 |
| Adj. PAT | 1,593 | 5,743 | 3,510 | 4,291 | 5,376 |
| Adj. EPS (Rs) | 10.1 | 35.1 | 21.4 | 26.2 | 32.8 |
| EBITDA margin (%) | 5.8 | 11.5 | 7.1 | 7.2 | 7.3 |
| EBITDA growth (%) | (2.1) | 163.6 | (22.9) | 21.6 | 21.0 |
| Adj. EPS growth (%) | (13.5) | 248.0 | (38.9) | 22.2 | 25.3 |
| RoE (%) | 9.6 | 25.6 | 13.1 | 14.1 | 15.3 |
| RoIC (%) | 9.8 | 20.4 | 11.0 | 11.6 | 12.7 |
| P/E (x) | 34.3 | 9.9 | 16.1 | 13.2 | 10.5 |
| EV/EBITDA (x) | 16.4 | 7.4 | 10.4 | 8.6 | 7.1 |
| P/B (x) | 2.8 | 2.3 | 2.0 | 1.7 | 1.5 |
| FCFF yield (%) | (5.1) | (10.8) | (4.1) | 2.1 | 2.0 |

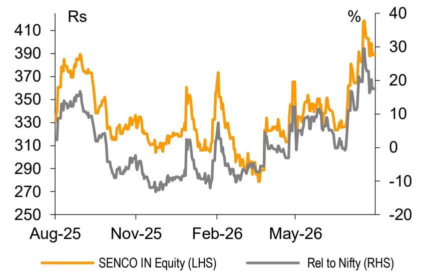
*Source: Company, Emkay Research*

| | |
|---|---|
| Target Price – 12M | Jun-27 |
| **Change in TP (%)** | - |
| Current Reco. | BUY |
| Previous Reco. | BUY |
| Upside/(Downside) (%) | 66.2 |

| **Stock Data** | **SENCO IN** |
|---|---|
| 52-week High (Rs) | 430 |
| 52-week Low (Rs) | 276 |
| Shares outstanding (mn) | 163.9 |
| Market-cap (Rs bn) | 57 |
| Market-cap (USD mn) | 594 |
| Net-debt, FY27E (Rs mn) | 21,073.7 |
| ADTV-3M (mn shares) | 1.8 |
| ADTV-3M (Rs mn) | 678.4 |
| ADTV-3M (USD mn) | 7.1 |
| Free float (%) | 36.0 |
| Nifty-50 | 24,435.9 |
| INR/USD | 95.3 |
| **Shareholding,Jun-26** | |
| Promoters (%) | 64.5 |
| FPIs/MFs (%) | 6.9/13.5 |

| **Price Performance** | | | |
|---|---|---|---|
| **(%)** | **1M** | **3M** | **12M** |
| Absolute | (4.6) | 10.5 | 2.3 |
| Rel. to Nifty | (5.5) | 5.7 | 2.5 |

**1-Year share price trend (Rs)**




***Devanshu Bansal***
*devanshu.bansal@emkayglobal.com*
*+91-22-66121385*

***Sunny Bhadra***
*sunny.bhadra@emkayglobal.com*
*+91-22-66121376*

***Yuvraj Kunwar***
*yuvraj.kunwar@emkayglobal.com*
*+91-22-66121302*

# Earnings call KTAs

### Sales and demand trends

- The company registered record quarterly sales crossing Rs30bn. SSG came in at 39%, implying existing stores continued to perform well.
- April month was strong (~55% of quarterly revenue), aided by Poila Baisakh/Akshaya Tritiya planning, while May-June softened (~45%) due to elections, heatwave, and weak footfalls, partly offset by summer wedding demand.
- July-August have shown a recovery and are trending 8-10% higher than May/June, with July running at ~25% yoy growth.
- 2Q is seasonally the weakest quarter but is used for inventory build-up ahead of the festive season.
- Growth in 1Q was broad-based across zones, including the new central region and Delhi-NCR.

### Guidance and profitability

- The management reiterated its full-year guidance of 20–25% revenue growth and sustainable EBITDA margin of 7.5-7.8%.
- Custom duty benefit is estimated at ~Rs120–150mn for 1Q, with further gains expected over the remainder of FY27.
- Elevated other expenses were driven by marketing, store renovation, and customer schemes. The management expects this run-rate to subside in coming quarters.

### Hedging and gold procurement

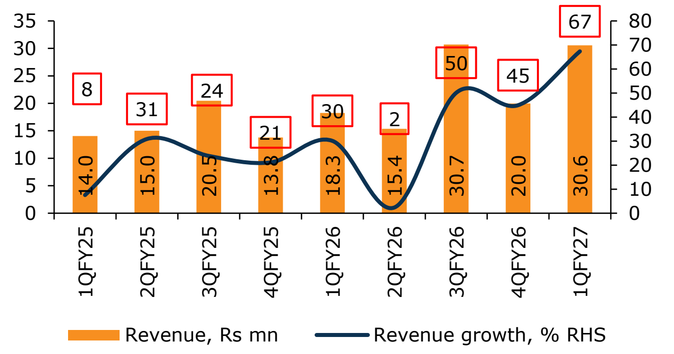
- Hedging ratio was maintained at ~50%.
- GML (Gold Metal Loan) availability was constrained in March-April due to banking/duty-change uncertainty tied to geopolitical factors, and the company relied more on local bullion procurement during this period. Availability has since eased, and the company will rebuild the GML book.
- Old gold exchange remained a key driver at ~43% of total sales quantity (>55% for own stores).

### Inventory

- Inventory days improved to ~152 (from higher levels), aided by a new gold-rate-based store performance software used to right-size inventory in stores.
- Store-level inventory can range from ~15-18 kg to 35-40 kg depending on market potential/competition.

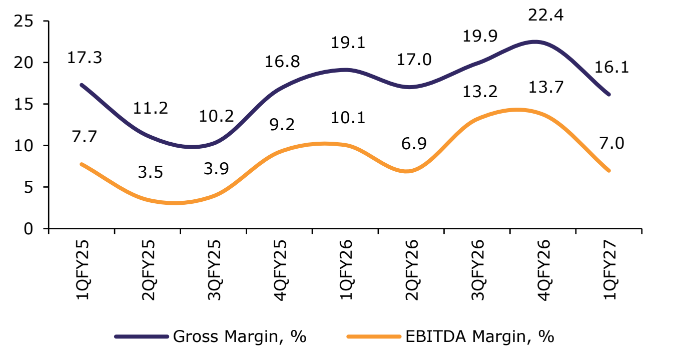
# Story in charts

**Exhibit 1: Reported revenue was up ~67% yoy, led by 39% SSG**



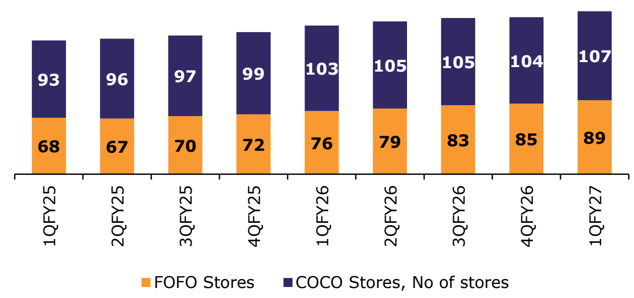

*Source: Company, Emkay Research*

**Exhibit 2: EBITDA margin at 7% in 1QFY26 was down ~310bps on account of lower gross margin (down by ~300bps yoy)**



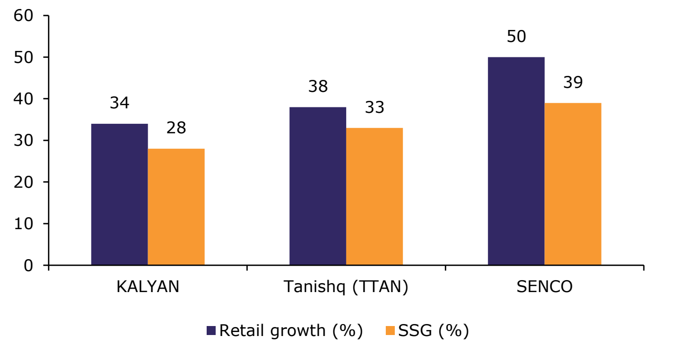

*Source: Company, Emkay Research*

**Exhibit 3: Senco has seen healthy store-count addition**



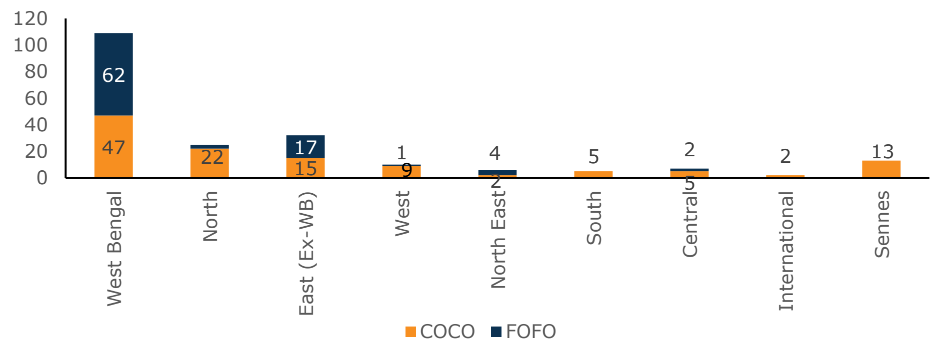

*Source: Company, Emkay Research*

**Exhibit 4: Senco's 1Q SSG at 39% was strong and better than Kalyan/TTAN's**




*Source: Company, Emkay Research*

**Exhibit 5: Senco is seeing healthy initial traction for franchisees in the non-East regions**




*Source: Company, Emkay Research*

**Exhibit 6: Actual vs estimates (1QFY27)**

| (Rs mn) | Actual | Estimates | | Variation | | Comments |
|---|---|---|---|---|---|---|
| | | Emkay | Consensus | Emkay | Consensus | |
| Net sales | 30,560 | 29,220 | 28,445 | 4.6% | 7.4% | Topline was ahead of our estimate. |
| EBITDA | 2,131 | 1,158 | 2,202 | 84.0% | -3.2% | EBITDA beat was led by revenue flow through and better gross margin. |
| *EBITDA margin* | 7.0% | 4.0% | 7.7% | 301 | -77 | |
| PAT | 1,011 | 389 | 1,129 | 160.3% | -10.4% | PAT beat was led by EBITDA flow-through and slightly lower depreciation |

*Source: Company, Emkay Research*

**Exhibit 7: Changes in estimates**

| (Rs mn) | FY27E | | | FY28E | | | FY29E | | |
|---|---|---|---|---|---|---|---|---|---|
| | Old | New | Change (%) | Old | New | Change (%) | Old | New | Change (%) |
| Revenue | 94,849 | 104,890 | 10.6 | 111,733 | 125,897 | 12.7 | NA | 151,047 | NA |
| EBITDA* | 6,911 | 7,469 | 8.1 | 8,305 | 9,079 | 9.3 | NA | 10,984 | NA |
| *EBITDA margin (%)* | 7.3 | 7.1 | -20 bps | 7.4 | 7.2 | -20 bps | *NA* | 7.3 | *NA* |
| Net profit | 3,471 | 3,517 | 1.1 | 4,297 | 4,312 | -0.2 | NA | 5,412 | NA |
| EPS (Rs) | 21.2 | 21.4 | 1.1 | 26.2 | 26.2 | -0.2 | NA | 32.8 | NA |

*Source: Company, Emkay Research*

**Exhibit 8: Summary of quarterly results**

| Y/E, Mar (Rs mn) | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 | yoy (%) | qoq (%) | FY26TD | FY27TD | yoy (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **18,263** | **15,361** | **30,710** | **19,967** | **30,560** | 67.3 | 53.1 | **18,263** | **30,560** | 67.3 |
| **Expenditure** | **16,427** | **14,296** | **26,664** | **17,223** | **28,429** | 73.1 | 65.1 | 16,427 | 28,429 | **73.1** |
| Consumption of RM | 14,774 | 12,745 | 24,603 | 15,499 | 25,627 | 73.5 | 65.3 | 14,774 | 25,627 | 73.5 |
| *as a % of sales* | *80.9%* | *83.0%* | *80.1%* | *77.6%* | *83.9%* | | | *80.9%* | *83.9%* | |
| Employee cost | 418 | 419 | 534 | 488 | 509 | 21.7 | 4.2 | 418 | 509 | 21.7 |
| *as a % of sales* | *2.3%* | *2.7%* | *1.7%* | *2.4%* | *1.7%* | | | *2.3%* | *1.7%* | |
| Advertising and SP | 426 | 408 | 468 | 278 | 347 | -18.5 | 24.8 | 426 | 347 | -18.5 |
| *as a % of sales* | *2.3%* | *2.7%* | *1.5%* | *1.4%* | *1.1%* | | | *2.3%* | *1.1%* | |
| Other expenditure | 809 | 724 | 1,059 | 958 | 1,946 | 140.6 | 103.2 | 809 | 1,946 | 140.6 |
| *as a % of sales* | *4.4%* | *4.7%* | *3.4%* | *4.8%* | *6.4%* | | | *4.4%* | *6.4%* | |
| **EBITDA** | **1,836** | **1,065** | **4,046** | **2,744** | **2,131** | 16.1 | -22.3 | **1,836** | **2,131** | **16.1** |
| Depreciation | 187 | 190 | 211 | 232 | 215 | 15.2 | -7.1 | 187 | 215 | 15.2 |
| **EBIT** | **1,649** | **875** | **3,835** | **2,512** | **1,916** | 16.2 | -23.7 | **1,649** | **1,916** | **16.2** |
| Other income | 186 | 178 | 301 | 134 | 153 | -18.2 | 14.2 | 186 | 153 | -18.2 |
| Interest | 430 | 462 | 590 | 561 | 679 | 58.1 | 21.2 | 430 | 679 | 58.1 |
| **PBT** | **1,406** | **591** | **3,546** | **2,085** | **1,389** | -1.2 | -33.4 | **1,406** | **1,389** | **-1.2** |
| Total tax | 359 | 103 | 906 | 516 | 378 | 5.2 | -26.7 | 359 | 378 | 5.2 |
| **PAT** | **1,047** | **488** | **2,640** | **1,569** | **1,011** | -3.4 | -35.5 | **1,047** | **1,011** | **-3.4** |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 | | | 0 | 0 | |
| **Reported PAT** | **1,047** | **488** | **2,640** | **1,569** | **1,011** | -3.4 | -35.5 | **1,047** | **1,011** | **-3.4** |
| Minority interest | 0 | 0 | 0 | 0 | 0 | | | 0 | 0 | |
| **Reported EPS (Rs)** | **6.4** | **3.0** | **16.1** | **9.6** | **6.2** | -3.4 | -35.5 | **6.4** | **6.2** | **-3.4** |
| **(%)** | **1QFY26** | **2QFY26** | **3QFY26** | **4QFY26** | **1QFY27** | **(bps)** | **(bps)** | **FY26TD** | **FY27TD** | **(bps)** |
| EBITDA margin | 10.1 | 6.9 | 13.2 | 13.7 | 7.0 | -310 | -680 | 10.1 | 7.0 | -310 |
| EBIT margin | 9.0 | 5.7 | 12.5 | 12.6 | 6.3 | -280 | -630 | 9.0 | 6.3 | -280 |
| EBT margin | 7.7 | 3.8 | 11.5 | 10.4 | 4.5 | -320 | -590 | 7.7 | 4.5 | -320 |
| PAT margin | 5.7 | 3.2 | 8.6 | 7.9 | 3.3 | -240 | -450 | 5.7 | 3.3 | -240 |
| Effective tax rate | 25.6 | 17.4 | 25.6 | 24.7 | 27.2 | 160 | 250 | 25.6 | 27.2 | 160 |

*Source: Company, Emkay Research*

**Exhibit 9: Valuation comparison across our coverage companies**

| Company | CMP (Rs) | Mcap (Rs bn) | Reco | Target price (Rs) | EPS (Rs) | | | P/E (x) | | | EV/EBITDA (x)* | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | FY27E | FY28E | FY29E | FY27E | FY28E | FY29E | FY27E | FY28E | FY29E |
| Titan Company | 5,106 | 4,534 | ADD | 5,600 | 74.4 | 88.2 | 105.7 | 68.6 | 57.9 | 48.3 | 42.3 | 36.4 | 30.9 |
| Varun Beverages | 438 | 1,483 | BUY | 525 | 9.7 | 11.4 | 13.8 | 45.2 | 38.5 | 31.7 | 25.5 | 22.6 | 19.8 |
| Ethos | 2,797 | 75 | BUY | 3,200 | 49.7 | 66.9 | 85.6 | 56.3 | 41.8 | 32.7 | 24.0 | 17.9 | 13.9 |
| Page Industries | 38,101 | 425 | ADD | 46,800 | 776.7 | 894.3 | 1,025.1 | 49.1 | 42.6 | 37.2 | 33.1 | 29.0 | 25.4 |
| ABFRL | 57 | 70 | ADD | 80 | -5.2 | -3.8 | -2.7 | -11.0 | -15.1 | -20.9 | 7.3 | 5.1 | 4.0 |
| Jubilant FoodWorks | 485 | 320 | BUY | 550 | 6.0 | 7.9 | 10.2 | 80.7 | 61.1 | 47.3 | 16.3 | 13.9 | 12.0 |
| Devyani International | 140 | 173 | BUY | 160 | 0.2 | 1.0 | 1.6 | 649.5 | 138.8 | 85.3 | 17.6 | 14.7 | 12.8 |
| Westlife Foodworld | 594 | 93 | ADD | 550 | 1.8 | 5.3 | 8.7 | 337.2 | 113.0 | 68.2 | 24.0 | 17.7 | 14.5 |
| Sapphire Foods | 232 | 75 | BUY | 300 | 1.6 | 2.3 | 2.9 | 145.5 | 99.6 | 80.1 | 12.9 | 10.4 | 9.1 |
| **Senco Gold** | **345** | **57** | **BUY** | **575** | **21.4** | **26.2** | **32.8** | **16.1** | **13.1** | **10.5** | **10.4** | **8.6** | **7.1** |
| Metro Brands | 938 | 256 | BUY | 1,250 | 17.7 | 21.0 | 25.2 | 53.1 | 44.6 | 37.2 | 24.9 | 21.1 | 18.1 |
| ABLBL | 90 | 110 | BUY | 140 | 2.3 | 3.1 | 4.0 | 39.5 | 29.0 | 22.3 | 7.8 | 6.7 | 5.9 |
| Vishal Mega Mart | 108 | 505 | BUY | 170 | 2.3 | 2.9 | 3.6 | 47.5 | 36.8 | 29.9 | 21.4 | 17.7 | 15.0 |
| Lenskart | 586 | 1,019 | BUY | 725 | 5.0 | 7.0 | 9.9 | 116.4 | 82.7 | 59.1 | 39.9 | 30.9 | 24.3 |
| DMART | 4,034 | 2,632 | SELL | 3,700 | 56.3 | 63.0 | 70.4 | 71.7 | 64.0 | 57.3 | 43.0 | 37.3 | 32.7 |

*Source: Company, Emkay Research; Note: *Post-IndAS-116 EBITDA; **FY27 is CY26 and likewise for Varun Beverages*

# Senco Gold: Consolidated Financials and Valuations

## Profit & Loss

| Y/E (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Revenue** | **63,281** | **84,300** | **104,890** | **125,897** | **151,047** |
| Revenue growth (%) | 20.7 | 33.2 | 24.4 | 20.0 | 20.0 |
| **EBITDA** | **3,676** | **9,690** | **7,469** | **9,079** | **10,984** |
| EBITDA growth (%) | (2.1) | 163.6 | (22.9) | 21.6 | 21.0 |
| Depreciation & Amortization | 681 | 820 | 885 | 976 | 1,078 |
| **EBIT** | **2,995** | **8,870** | **6,584** | **8,104** | **9,906** |
| EBIT growth (%) | (5.0) | 196.2 | (25.8) | 23.1 | 22.2 |
| Other operating income | - | - | - | - | - |
| Other income | 546 | 799 | 603 | 550 | 500 |
| Financial expense | 1,362 | 2,042 | 2,495 | 2,918 | 3,219 |
| **PBT** | **2,179** | **7,627** | **4,692** | **5,736** | **7,187** |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Taxes | 586 | 1,884 | 1,182 | 1,446 | 1,811 |
| Minority interest | 0 | 0 | 0 | 0 | 0 |
| Income from JV/Associates | - | - | - | - | - |
| **Reported PAT** | **1,593** | **5,743** | **3,510** | **4,291** | **5,376** |
| PAT growth (%) | (12.0) | 260.5 | (38.9) | 22.2 | 25.3 |
| **Adjusted PAT** | **1,593** | **5,743** | **3,510** | **4,291** | **5,376** |
| **Diluted EPS (Rs)** | **10.1** | **35.1** | **21.4** | **26.2** | **32.8** |
| Diluted EPS growth (%) | (13.5) | 248.0 | (38.9) | 22.2 | 25.3 |
| **DPS (Rs)** | **0.4** | **1.8** | **1.1** | **1.3** | **1.7** |
| **Dividend payout (%)** | **4.4** | **5.1** | **5.1** | **5.1** | **5.1** |
| EBITDA margin (%) | 5.8 | 11.5 | 7.1 | 7.2 | 7.3 |
| EBIT margin (%) | 4.7 | 10.5 | 6.3 | 6.4 | 6.6 |
| Effective tax rate (%) | 26.9 | 24.7 | 25.2 | 25.2 | 25.2 |
| **NOPLAT (pre-IndAS)** | **2,190** | **6,679** | **4,925** | **6,062** | **7,409** |
| Shares outstanding (mn) | 158 | 164 | 164 | 164 | 164 |

*Source: Company, Emkay Research*

## Balance Sheet

| Y/E (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Share capital | 818 | 819 | 819 | 819 | 819 |
| Reserves & Surplus | 18,885 | 24,318 | 27,648 | 31,719 | 36,820 |
| **Net worth** | **19,703** | **25,137** | **28,467** | **32,538** | **37,639** |
| Minority interests | 0 | 0 | 0 | 0 | 0 |
| Non current liab. & prov. | 2,639 | 3,036 | 3,471 | 3,990 | 4,665 |
| **Total debt** | **5,872** | **15,697** | **21,447** | **22,947** | **25,147** |
| **Total liabilities & equity** | **28,214** | **43,870** | **53,385** | **59,476** | **67,451** |
| Net tangible fixed assets | 1,152 | 1,137 | 1,200 | 1,289 | 1,389 |
| Net intangible assets | 251 | 414 | 525 | 658 | 828 |
| Net ROU assets | 2,644 | 3,203 | 3,609 | 4,169 | 4,977 |
| Capital WIP | 20 | 21 | 21 | 21 | 21 |
| Goodwill | 0 | 0 | 0 | 0 | 0 |
| Investments [JV/Associates] | 2 | 2 | 2 | 2 | 2 |
| **Cash & equivalents** | **333** | **376** | **374** | **352** | **426** |
| Current assets (ex-cash) | 42,797 | 64,967 | 80,756 | 92,230 | 106,430 |
| Current Liab. & Prov. | 18,984 | 26,249 | 33,102 | 39,246 | 46,623 |
| **NWC (ex-cash)** | **23,813** | **38,717** | **47,654** | **52,985** | **59,807** |
| **Total assets** | **28,214** | **43,870** | **53,385** | **59,476** | **67,451** |
| Net debt | 5,540 | 15,322 | 21,074 | 22,596 | 24,722 |
| Capital employed | 28,214 | 43,870 | 53,385 | 59,476 | 67,451 |
| **Invested capital** | **25,216** | **40,269** | **49,379** | **54,932** | **62,025** |
| BVPS (Rs) | 124.6 | 153.5 | 173.8 | 198.6 | 229.8 |
| Net Debt/Equity (x) | 0.3 | 0.6 | 0.7 | 0.7 | 0.7 |
| Net Debt/EBITDA (x) | 1.5 | 1.6 | 2.8 | 2.5 | 2.3 |
| Interest coverage (x) | 2.4 | 4.6 | 2.7 | 2.8 | 3.1 |
| **RoCE (%)** | **15.7** | **29.1** | **15.8** | **16.4** | **17.6** |

*Source: Company, Emkay Research*

## Cash flows

| Y/E (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| PBT (ex-other income) | 1,633 | 6,829 | 4,089 | 5,186 | 6,687 |
| Others (non-cash items) | 0 | 0 | 0 | 0 | 0 |
| Taxes paid | (623) | (2,114) | (1,282) | (1,564) | (1,954) |
| Change in NWC | (5,679) | (14,904) | (8,937) | (5,331) | (6,823) |
| **Operating cash flow** | **(2,625)** | **(7,328)** | **(2,749)** | **2,184** | **2,208** |
| Capital expenditure | (462) | (420) | (465) | (557) | (657) |
| Acquisition of business | - | (1) | 0 | 0 | 0 |
| Interest & dividend income | 546 | 799 | 603 | 550 | 500 |
| **Investing cash flow** | **83** | **378** | **138** | **(7)** | **(157)** |
| Equity raised/(repaid) | 4,484 | 1 | - | - | - |
| Debt raised/(repaid) | (29) | 9,825 | 5,750 | 1,500 | 2,200 |
| Payment of lease liabilities | (666) | (871) | (870) | (998) | (1,154) |
| Interest paid | (1,030) | (1,668) | (2,091) | (2,482) | (2,748) |
| Dividend paid (incl tax) | (70) | (294) | (180) | (220) | (275) |
| Others | 0 | 0 | 0 | 0 | 0 |
| **Financing cash flow** | **2,689** | **6,993** | **2,609** | **(2,199)** | **(1,977)** |
| Net chg in Cash | 147 | 43 | (2) | (22) | 74 |
| OCF | (2,625) | (7,328) | (2,749) | 2,184 | 2,208 |
| Adj. OCF (w/o NWC chg.) | 3,054 | 7,576 | 6,187 | 7,515 | 9,030 |
| FCFF | (3,087) | (7,748) | (3,214) | 1,627 | 1,551 |
| FCFE | (3,571) | (8,617) | (4,702) | (305) | (697) |
| OCF/EBITDA (%) | (71.4) | (75.6) | (36.8) | 24.1 | 20.1 |
| FCFE/PAT (%) | (224.2) | (150.0) | (134.0) | (7.1) | (13.0) |
| **FCFF/NOPLAT (%)** | **(141.0)** | **(116.0)** | **(65.3)** | **26.8** | **20.9** |

*Source: Company, Emkay Research*

## Valuations and key Ratios

| Y/E | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| P/E (x) | 34.3 | 9.9 | 16.1 | 13.2 | 10.5 |
| P/CE(x) | 29.8 | 9.4 | 14.9 | 12.2 | 9.8 |
| P/B (x) | 2.8 | 2.3 | 2.0 | 1.7 | 1.5 |
| EV/Sales (x) | 1.0 | 0.9 | 0.7 | 0.6 | 0.5 |
| EV/EBITDA (x) | 16.4 | 7.4 | 10.4 | 8.6 | 7.1 |
| EV/EBIT(x) | 20.1 | 8.1 | 11.8 | 9.6 | 7.8 |
| EV/IC (x) | 2.4 | 1.8 | 1.6 | 1.4 | 1.3 |
| FCFF yield (%) | (5.1) | (10.8) | (4.1) | 2.1 | 2.0 |
| FCFE yield (%) | (6.3) | (15.2) | (8.3) | (0.5) | (1.2) |
| Dividend yield (%) | 0.1 | 0.5 | 0.3 | 0.4 | 0.5 |
| **DuPont-RoE split** | | | | | |
| Net profit margin (%) | 2.5 | 6.8 | 3.3 | 3.4 | 3.6 |
| Total asset turnover (x) | 2.8 | 2.5 | 2.3 | 2.4 | 2.6 |
| Assets/Equity (x) | 1.4 | 1.5 | 1.7 | 1.7 | 1.7 |
| **RoE (%)** | **9.6** | **25.6** | **13.1** | **14.1** | **15.3** |
| **DuPont-RoIC** | | | | | |
| NOPLAT margin (%) | 3.5 | 7.9 | 4.7 | 4.8 | 4.9 |
| IC turnover (x) | 2.8 | 2.6 | 2.3 | 2.4 | 2.6 |
| **RoIC (%)** | **9.8** | **20.4** | **11.0** | **11.6** | **12.7** |
| **Operating metrics** | | | | | |
| Core NWC days | 137.4 | 167.6 | 165.8 | 153.6 | 144.5 |
| **Total NWC days** | **137.4** | **167.6** | **165.8** | **153.6** | **144.5** |
| Fixed asset turnover | 22.0 | 26.8 | 30.6 | 32.0 | 33.2 |
| Opex-to-revenue (%) | 6.2 | 6.7 | 7.3 | 7.2 | 7.2 |

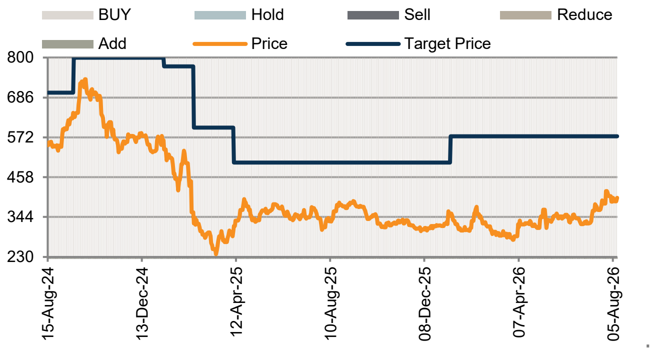
*Source: Company, Emkay Research*

### RECOMMENDATION HISTORY - DETAILS

| Date | Closing Price (Rs) | TP (Rs) | Rating | Analyst |
|---|---|---|---|---|
| 07-Jul-26 | 327 | 575 | Buy | Devanshu Bansal |
| 28-May-26 | 340 | 575 | Buy | Devanshu Bansal |
| 14-Apr-26 | 323 | 575 | Buy | Devanshu Bansal |
| 13-Feb-26 | 352 | 575 | Buy | Devanshu Bansal |
| 10-Jan-26 | 354 | 575 | Buy | Devanshu Bansal |
| 23-Nov-25 | 321 | 500 | Buy | Devanshu Bansal |
| 13-Nov-25 | 330 | 500 | Buy | Devanshu Bansal |
| 07-Oct-25 | 348 | 500 | Buy | Devanshu Bansal |
| 13-Aug-25 | 339 | 500 | Buy | Devanshu Bansal |
| 01-Aug-25 | 314 | 500 | Buy | Devanshu Bansal |
| 02-Jun-25 | 379 | 500 | Buy | Devanshu Bansal |
| 09-Apr-25 | 318 | 500 | Buy | Devanshu Bansal |
| 17-Feb-25 | 325 | 600 | Buy | Devanshu Bansal |
| 10-Jan-25 | 538 | 775 | Buy | Devanshu Bansal |
| 17-Sep-24 | 641 | 800 | Buy | Devanshu Bansal |
| 15-Aug-24 | 550 | 700 | Buy | Devanshu Bansal |

*Source: Company, Emkay Research*

### RECOMMENDATION HISTORY - TREND




*Source: Company, Bloomberg, Emkay Research*

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|---|---|
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| ADD | 5-15% upside |
| REDUCE | 5% upside to 15% downside |
| SELL | >15% downside |

**Emkay Global Financial Services Ltd.**
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

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