

## Q4 miss due to one-offs; outlook remains robust

Retail ▶ Result Update ▶ May 10, 2026

CMP (Rs): 4,509 | TP (Rs): 5,350

We maintain ADD on TTAN and TP of Rs5,350, as the 9% earnings miss in Q4 was due to high losses in international subsidiaries and a one-time bonus payout to employees for a stellar FY26 (~Rs2bn combined impact). TTAN reported robust Q4 topline growth of ~54% in the jewelry business (~50% LTL), though EBIT growth was ~40%, as margin was expectedly impacted due to the spike in gold prices. Encouragingly, recovery in buyer growth has enabled revenue growth pick-up (vs 9M trends), aided by an aggressive exchange program, introduction of accessible jewelry options (9/14/18 karat), and strong traction for its new gemstone collection 'Hues' at entry price points. Buoyed by India's growth potential, accelerating formalization, and superior brand trust, TTAN expects to deliver 15-20% topline CAGR over the next 5 years. Its domestic jewelry EBIT margin stabilized at 11.2% in FY26, despite an elevated gold price environment. Our FY28 estimates are largely unchanged, while we cut FY27E EPS by ~6% on factoring in geopolitical tensions in the ME and debt increase on the consolidation of Damas acquisition. TTAN does not foresee any major gold supply disruptions, due to the ongoing ME conflict. The stock currently trades at a discount to other discretionary peers, which should gradually narrow, in our view, with better or in-line execution (Exhibit 1).

**Robust momentum continues; buyer growth turns positive**

Standalone revenue grew ~41% YoY in Q4 (ex-bullion sales), led by 48% growth in the jewelry segment. Eyewear and Emerging businesses also delivered double-digit growth, at 16-21% YoY, while watches growth was slower at ~8%. Growth in the jewelry business was driven by higher ticket size (up ~40% YoY) and resurgence in buyer growth at 8% in Q4, improving significantly vs the flattish/declining trend in Q3/H1. The international jewelry business (ex-Damas) grew 42% YoY, driven by 65% growth in US operations, supported by network expansion. GCC operations also recorded healthy ~40% YoY growth, although momentum was impacted due to geopolitical tensions. The Watch segment saw slower growth, at ~8% YoY, while the Eyecare segment saw a customer-level growth of 15% YoY, led by double-digit ASP growth. Among subsidiaries, TEAL continued its strong momentum, with ~60% YoY growth. CaratLane's growth moderated to 22% (vs ~32% for 9M) largely due to temporary internal operational challenges, with trends already normalizing in April. Store additions have remained healthy in Q4, with addition of 12/14/6 Tanishq/Mia/CaratLane stores, respectively.

**Margins remain key monitorable**

Domestic jewelry EBIT margin (including CaratLane) at 11.1% was down by ~40bps YoY largely due to adverse product mix. EBIT growth of ~41% in Q4 was robust and among the best in the discretionary universe. The management highlighted that sustaining current margin levels could become challenging if gold prices continue to rise, although it is undertaking multiple initiatives, such as lightweight jewelry, 14k/18k jewelry, and mix re-engineering, to mitigate the impact. FY26 jewelry EBIT margin at 11.2% is near the mid-point of the guided band of 11.0-11.5%.

**Titan Company: Financial Snapshot (Consolidated)**

Y/E March (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Revenue	510,840	604,560	875,840	950,095	1,102,588
EBITDA	52,920	56,940	83,550	99,061	121,665
Adj. PAT	34,960	33,370	51,740	61,329	78,526
Adj. EPS (Rs)	39.4	37.5	58.1	68.9	88.2
EBITDA margin (%)	10.4	9.4	9.5	10.4	11.0
EBITDA growth (%)	8.5	7.6	46.7	18.6	22.8
Adj. EPS growth (%)	6.8	(4.8)	55.0	18.5	28.0
RoE (%)	32.9	31.8	37.9	33.7	32.8
RoIC (%)	29.6	22.6	26.4	26.6	29.6
P/E (x)	114.5	120.3	79.1	65.4	51.1
EV/EBITDA (x)	76.5	71.8	48.9	41.2	33.6
P/B (x)	42.6	34.5	25.6	19.4	14.8
FCFF yield (%)	0.1	(0.2)	0.3	1.3	1.4

Source: Company, Emkay Research

Target Price – 12M	Mar-27
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	18.7

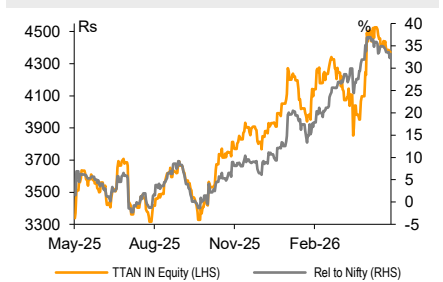
Stock Data	TTAN IN
52-week High (Rs)	4,605
52-week Low (Rs)	3,301
Shares outstanding (mn)	887.8
Market-cap (Rs bn)	4,003
Market-cap (USD mn)	42,367
Net-debt, FY27E (Rs mn)	44,293.9
ADTV-3M (mn shares)	1.0
ADTV-3M (Rs mn)	4,608.4
ADTV-3M (USD mn)	48.8
Free float (%)	47.0
Nifty-50	24,176.2
INR/USD	94.5

**Shareholding, Mar-26**

Promoters (%)	52.9
FPIs/MFs (%)	15.6/15.0

**Price Performance**

(%)	1M	3M	12M
Absolute	0.4	8.9	33.8
Rel. to Nifty	(0.4)	15.7	34.4

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

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## Earnings call KTAs

### Gold prices/gold supply/margins

- On gold supply, the company is covered for Q1FY27, and its gold exchange program is also being run successfully since Q3. Titan does not foresee any increase in gold metal loan cost in the near term. Gold loan tenure has also increased from 180 days to 270 days.
- The company expects the first 2 quarters of FY27 to see some ASP benefit on account of higher gold prices. If gold rates remain stable, sustainability of margins would be easier. However, margins will be impacted if gold prices rise. Margin pressure is more from mix change and not from lower discounts.
- To keep the category exciting and accessible, exchange program, 18kt, 14kt, studded, grammage purchase plan, and lightweight jewelry are a few initiatives/activities that the company is taking to bring in consumers in this high-priced gold environment.
- Encouraging response to the gold exchange program led to accumulation of gold in the vaults. To manage inventory, Titan had higher bullion sales at Rs61.44bn (vs Rs8.64bn in Q4FY25).

### Jewelry segment

- Buyer growth has seen resurgence in Q4, at 8%, led by advancement in wedding purchases and increase in footfalls. The company has seen buyer growth resurgence in the studded segment as well on the back of the 'Festival of Diamonds' campaign.
- Increased focus on gemstones is an effort to grow the category. Design seekers are growing in strong numbers and are looking for new expressions in gold jewelry. The company currently has 200 styles, of which 50% is in the price range of Rs40-250k, going up to Rs1mn.
- Redemption for the Riva golden advantage program started in Jan-25 at a national level.

### International Business/Damas

- International business at operating level has become profitable on a full-year basis. The March month saw some challenges in the GCC region – not only for Damas but Tanishq's stores in the Middle East as well, and the situation remains unpredictable at this stage.

### Watches and Wearables

- Analog watch sales grew 16% for the year. Smart and Analog combined grew 14% for the Watch segment. Analog watch mix stood at ~90% of the Watch segment.
- The Watch segment saw slower growth, at ~8% YoY, largely due to the 50% decline in smart-watch category, though the Analog watch category continued its double-digit growth, at ~15% YoY, aided by healthy growth in both volume and ASP.

### Other segments

- Platform-level shift from legacy ERP to Oracle fusion created some operational challenges, which partially impacted CaratLane's Q4 performance.
- Eyecare division store closures are part of revamping the look and feel of the stores. Focus is on growing the topline, which was supported by higher marketing spends. Also, there was one-off inventory call back due to the slow movement of stock having an impact on margins.
- Taneira is undergoing a review of the way the company is managing the store operating model via merchandise change, price points, and customer value proposition. Work is underway to bring in buyer growth particularly in the sub Rs10k category.
- BeYon will expand initially to 10-12 stores in 2-3 cities and then will plan for a national launch. Current store count is at 2.
- The TEAL business has good tailwinds/opportunities in aerospace, defence, infrastructure, electronic chips, etc.

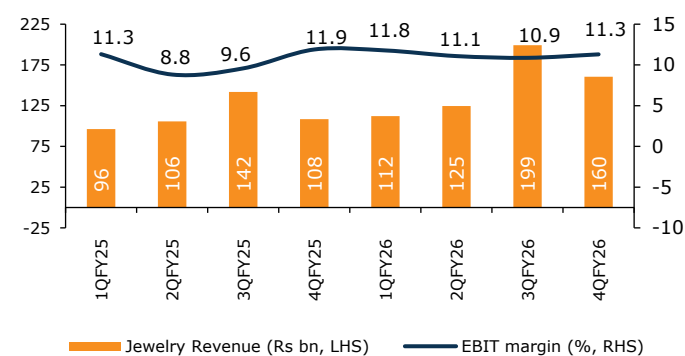
## Story in charts

**Exhibit 1: TTAN's valuation discount to peers should gradually narrow, with better or in-line execution**

Company	FY25-28E CAGR (%)		FY25 RoIC (%)	1YF P/E (x)
	Revenue	EBITDA		
Vishal Mega Mart	19	26	42	51
Trent	20	25	35	69
<b>Titan Company</b>	<b>25</b>	<b>25</b>	<b>21</b>	<b>65</b>
DMART	17	16	15	77
Metro Brands	14	13	30	58
Varun Beverages	14	13	17	49
Page Industries	9	8	74	50

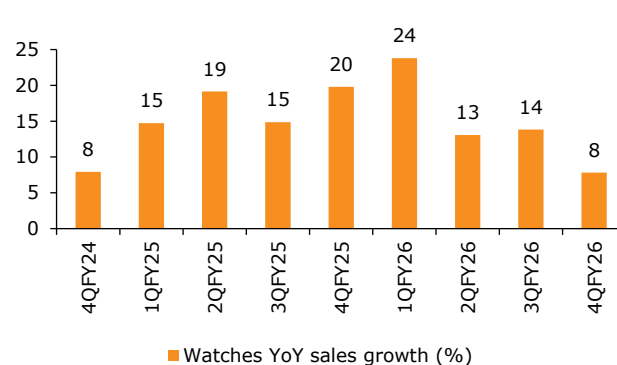
Source: Company, Emkay Research

**Exhibit 2: Jewelry (ex-bullion) saw strong ~48% YoY growth in Q4; LFL EBIT margin at 11.3% was down by ~60bps**



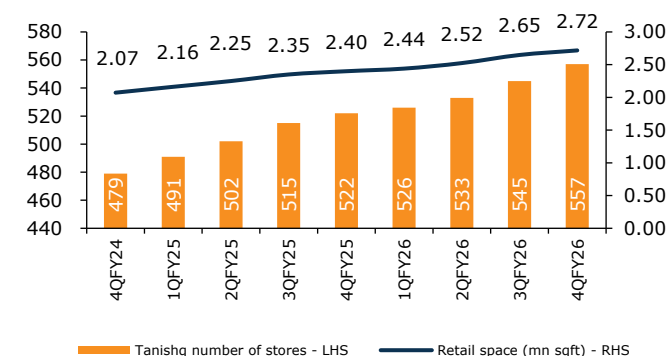
Source: Company, Emkay Research

**Exhibit 3: Watch sales grew 8% YoY in Q4, driven by the Analog watch category, growing ~15% YoY**



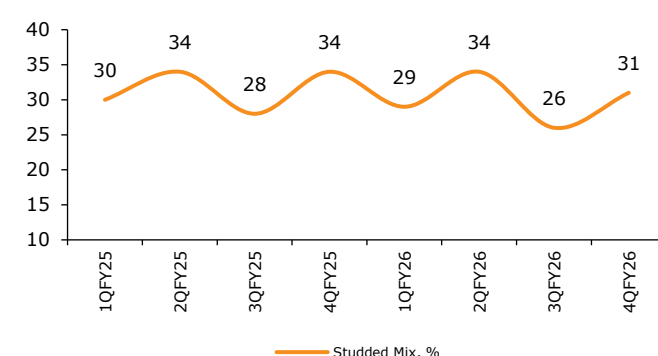
Source: Company, Emkay Research

**Exhibit 4: Tanishq's store-addition pace was maintained, with 12 stores in Q4 (12 in Q3)**



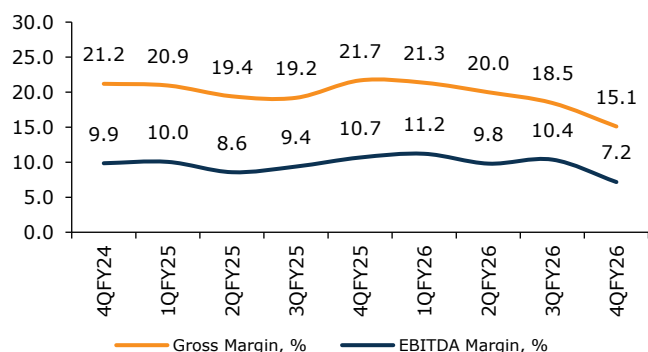
Source: Company, Emkay Research

**Exhibit 5: Studded mix (including CaratLane) was down by ~300bps YoY**

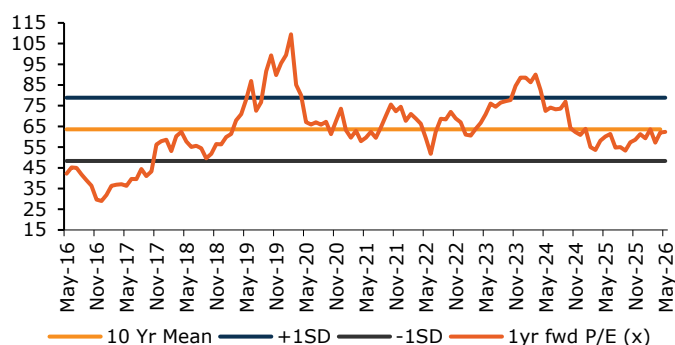


Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

**Exhibit 6: Standalone reported gross margin declined by ~660bps YoY; EBITDA margin was down by 350bps**

Source: Company, Emkay Research

**Exhibit 7: Titan's one-year forward P/E**

Source: Company, Emkay Research

**Exhibit 8: Actual vs estimates (Q4FY26)**

(Rs mn)	Actual	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net Sales	206,710	199,411	188,544	3.7%	9.6%	Topline was ahead of our estimate, led by consolidation of Damas in Q4.
EBITDA	19,370	21,146	20,622	-8.4%	-6.1%	EBITDA missed due to higher loss in international subsidiaries/one-time employee bonus payout.
EBITDA Margin	9.4%	10.6%	10.9%	-123	-157	
PAT	11,780	13,007	12,698	-9.4%	-7.2%	PAT missed, led by EBITDA flow-through and higher interest and higher depreciation.

Source: Company, Emkay Research

**Exhibit 9: Quarterly snapshot of retail growth YoY**

Segment	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
World of Titan	12%	13%	15%	31%	18%	20%	16%	15%	18%
Tanishq, Mia, Zoya	19%	9%	21%	28%	20%	17%	19%	36%	54%
Titan Eye+	4%	8%	5%	11%	10%	6%	11%	11%	15%
Fastrack	6%	15%	14%	27%	20%	19%	14%	18%	21%
Helios	30%	24%	43%	47%	38%	33%	27%	23%	36%
LFS (watches)	4%	5%	11%	18%	14%	18%	9%	10%	19%

Source: Company, Emkay Research

**Exhibit 10: Quarterly snapshot of LFL growth**

Segment	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
World of Titan	7%	9%	11%	25%	14%	15%	11%	12%	15%
Tanishq, Mia, Zoya	14%	3%	15%	22%	15%	11%	14%	32%	50%
Titan Eye+	0%	7%	3%	9%	NA	NA	NA	NA	NA
Fastrack	-4%	5%	5%	14%	12%	12%	10%	10%	12%
Helios	14%	11%	28%	34%	24%	22%	14%	14%	28%
LFS (watches)	-8%	-7%	3%	16%	10%	17%	7%	9%	19%

Source: Company, Emkay Research

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## Exhibit 11: Changes in estimates

(Rs mn)	FY27E			FY28E		
	Old	New	Change (%)	Old	New	Change (%)
Revenue	928,586	950,095	2.3	1,075,766	1,102,588	2.5
<b>EBITDA</b>	<b>102,330</b>	<b>99,061</b>	<b>-3.2</b>	<b>120,701</b>	<b>121,665</b>	<b>0.8</b>
EBITDA margin (%)	11.0	10.4	-60 bps	11.2	11.0	-20 bps
Net profit	65,463	61,329	-6.3	79,509	78,526	-1.2
EPS (Rs)	73.6	68.9	-6.3	89.3	88.2	-1.2

Source: Company, Emkay Research

## Exhibit 12: Summary of quarterly results (reported)

Y/E, March (Rs mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)	FY25	FY26	YoY (%)
<b>Revenue</b>	<b>149,160</b>	<b>165,230</b>	<b>187,250</b>	<b>254,160</b>	<b>269,200</b>	<b>80.5</b>	<b>5.9</b>	<b>604,560</b>	<b>875,840</b>	<b>44.9</b>
<b>Expenditure</b>	<b>133,790</b>	<b>146,930</b>	<b>168,500</b>	<b>227,030</b>	<b>249,830</b>	<b>86.7</b>	<b>10.0</b>	<b>547,620</b>	<b>792,290</b>	<b>44.7</b>
Consumption of RM	115,150	128,110	147,090	203,870	224,000	94.5	9.9	474,560	703,070	48.2
as a % of sales	77.2%	77.5%	78.6%	80.2%	83.2%			78.5%	80.3%	
Other expenditure	18,640	18,820	21,410	23,160	25,830	38.6	11.5	54,420	63,390	16.5
as a % of sales	12.5%	11.4%	11.4%	9.1%	9.6%			9.0%	7.2%	
<b>EBITDA</b>	<b>15,370</b>	<b>18,300</b>	<b>18,750</b>	<b>27,130</b>	<b>19,370</b>	<b>26.0</b>	<b>-28.6</b>	<b>56,940</b>	<b>83,550</b>	<b>46.7</b>
Depreciation	1,830	1,840	1,890	2,070	2,460	34.4	18.8	5,100	5,800	13.7
<b>EBIT</b>	<b>13,540</b>	<b>16,460</b>	<b>16,860</b>	<b>25,060</b>	<b>16,910</b>	<b>24.9</b>	<b>-32.5</b>	<b>50,010</b>	<b>75,290</b>	<b>50.5</b>
Other Income	1,160	1,050	1,120	1,510	1,840	58.6	21.9	3,700	3,680	-0.5
Interest	2,520	2,710	2,770	2,820	3,500	38.9	24.1	7,010	8,300	18.4
<b>PBT</b>	<b>12,180</b>	<b>14,800</b>	<b>15,210</b>	<b>23,750</b>	<b>15,250</b>	<b>25.2</b>	<b>-35.8</b>	<b>45,340</b>	<b>69,010</b>	<b>52.2</b>
Total Tax	3,470	3,890	4,020	5,390	3,980	14.7	-26.2	8,510	13,300	56.3
<b>PAT</b>	<b>8,710</b>	<b>10,910</b>	<b>11,190</b>	<b>18,360</b>	<b>11,270</b>	<b>29.4</b>	<b>-38.6</b>	<b>33,360</b>	<b>51,730</b>	<b>55.1</b>
Extraordinary items	0	0	-10	-1,520	510					
<b>Reported PAT</b>	<b>8,710</b>	<b>10,910</b>	<b>11,200</b>	<b>16,840</b>	<b>11,780</b>	<b>35.2</b>	<b>-30.0</b>	<b>33,370</b>	<b>50,730</b>	<b>52.0</b>
Minority Interest	0	0	0	0	0					
<b>Adjusted PAT</b>	<b>8,710</b>	<b>10,910</b>	<b>11,200</b>	<b>17,977</b>	<b>11,780</b>	<b>35.2</b>	<b>-34.5</b>	<b>33,370</b>	<b>51,867</b>	<b>55.4</b>
<b>Adjusted EPS (Rs)</b>	<b>9.8</b>	<b>12.3</b>	<b>12.6</b>	<b>18.9</b>	<b>13.2</b>	<b>34.9</b>	<b>-30.0</b>	<b>37.6</b>	<b>57.0</b>	<b>51.6</b>
(%)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	(bps)	(bps)	FY25	FY26	(bps)
EBITDA margin	10.3	11.1	10.0	10.7	7.2	-310	-350	9.4	9.5	10
EBIT margin	9.1	10.0	9.0	9.9	6.3	-280	-360	8.3	8.6	30
EBT margin	8.2	9.0	8.1	9.3	5.7	-250	-370	7.5	7.9	40
PAT margin	5.8	6.6	6.0	7.1	4.4	-150	-270	5.5	5.9	40
Effective tax rate	28.5	26.3	26.4	22.7	26.1	-240.0	340	18.8	19.3	50

Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

**Exhibit 13: Segmental financials (comparable)**

Revenue Growth (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Jewellery					18.2	18.9	40.5	46.1
Tanishq, Mia, Zoya					16.6	17.9	40.4	48.0
CaratLane					38.8	32.2	42.2	22.4
Watches					24.1	13.3	13.2	7.7
EyeCare					12.5	8.0	17.6	16.8
Emerging Businesses					35.0	34.0	14.4	20.6
International businesses					47.6	84.0	80.5	154.9
Titan Engineering & Automation Limited					55.8	111.7	67.4	59.9
EBIT Margin (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Jewellery	10.9	8.7	9.7	11.5	11.3	11.0	11.0	11.1
Tanishq, Mia, Zoya	11.3	8.8	9.6	11.9	11.8	11.1	10.9	11.3
CaratLane	5.7	7.5	11.7	7.0	6.6	10.2	13.0	8.3
Watches	11.7	15.3	10.2	12.1	23.1	16.7	12.0	12.7
EyeCare	10.1	12.1	10.9	10.5	8.5	5.6	11.9	9.5
Emerging Businesses	-32.5	-27.4	-27.1	-36.3	-13.0	-16.9	-19.3	-40.7
International businesses	-4.7	-6.2	-0.3	-4.3	3.4	2.0	10.2	-7.7
Titan Engineering & Automation Limited	5.6	12.8	17.1	22.2	24.4	22.7	11.1	17.8

Source: Company, Emkay Research

**Exhibit 14: Valuation comparison across our coverage universe**

Company	Price (Rs)	Mcap (Rs bn)	Reco	Target Price (Rs)	EPS (Rs)			P/E (x)			EV/EBITDA (x)*		
					FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
<b>Titan Company</b>	<b>4,509</b>	<b>4,003</b>	<b>ADD</b>	<b>5,350</b>	<b>57.0</b>	<b>68.9</b>	<b>88.2</b>	<b>79.1</b>	<b>65.4</b>	<b>51.1</b>	<b>48.9</b>	<b>41.2</b>	<b>33.6</b>
Varun Beverages	509	1,721	BUY	620	9.0	10.5	12.5	56.7	48.5	40.6	34.1	28.5	25.0
Ethos	2,405	64	BUY	2,950	38.1	50.5	68.0	63.2	47.6	35.3	27.0	19.5	14.4
Page Industries	37,365	417	REDUCE	33,750	700.6	752.5	829.9	53.3	49.7	45.0	36.1	33.5	30.5
ABFRL	66	81	ADD	70	-6.3	-5.2	-3.6	NA	NA	NA	11.0	6.6	4.8
Jubilant FoodWorks	473	312	BUY	600	5.5	7.1	9.8	86.4	66.6	48.4	17.6	15.2	12.8
Devyani International	118	146	BUY	160	-0.3	0.1	0.9	NA	1,244.4	134.1	18.2	14.8	12.0
Westlife Foodworld	505	79	ADD	550	1.8	1.4	5.3	285.6	352.2	95.4	23.2	19.5	14.9
Sapphire Foods	184	59	BUY	300	-1.0	0.8	2.3	NA	233.8	79.0	12.0	9.8	8.0
Senco Gold	365	60	BUY	575	28.6	20.7	26.1	12.8	17.6	14.0	7.9	9.7	8.1
Metro Brands	1,032	281	BUY	1,175	16.7	17.7	20.4	62.0	58.5	50.7	31.7	28.2	24.2
ABLBL	114	139	BUY	140	1.4	2.2	3.1	81.4	52.8	36.4	10.9	10.0	8.5
Vishal Mega Mart	124	579	BUY	170	1.8	2.4	3.1	67.5	50.6	40.6	29.6	23.9	20.0
Lenskart	489	850	BUY	600	2.2	3.9	5.8	220.9	125.9	84.2	50.2	36.2	27.7
DMART	4,402	2,871	SELL	3,700	49.4	57.4	64.5	89.0	76.7	68.2	54.6	45.4	39.1

Source: Company, Emkay Research; Note: \*Post-IndAS-116 EBITDA; \*\*FY26E is CY25 and likewise for Varun Beverages

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## Titan Company: Consolidated Financials and Valuations

## Profit &amp; Loss

Y/E March (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
<b>Revenue</b>	<b>510,840</b>	<b>604,560</b>	<b>875,840</b>	<b>950,095</b>	<b>1,102,588</b>
Revenue growth (%)	25.9	18.3	44.9	8.5	16.1
<b>EBITDA</b>	<b>52,920</b>	<b>56,940</b>	<b>83,550</b>	<b>99,061</b>	<b>121,665</b>
EBITDA growth (%)	8.5	7.6	46.7	18.6	22.8
Depreciation & Amortization	5,840	6,930	8,260	10,087	11,574
<b>EBIT</b>	<b>47,080</b>	<b>50,010</b>	<b>75,290</b>	<b>88,974</b>	<b>110,091</b>
EBIT growth (%)	6.1	6.2	50.5	18.2	23.7
Other operating income	-	-	-	-	-
Other income	5,330	4,860	5,520	6,500	7,150
Financial expense	6,190	9,530	11,800	13,482	12,539
<b>PBT</b>	<b>46,220</b>	<b>45,340</b>	<b>69,010</b>	<b>81,991</b>	<b>104,702</b>
Extraordinary items	0	0	(1,010)	0	0
Taxes	11,270	11,980	17,280	20,662	26,175
Minority interest	-	-	-	-	-
Income from JV/Associates	10	10	10	0	0
<b>Reported PAT</b>	<b>34,960</b>	<b>33,370</b>	<b>50,730</b>	<b>61,329</b>	<b>78,526</b>
PAT growth (%)	6.8	(4.5)	52.0	20.9	28.0
<b>Adjusted PAT</b>	<b>34,960</b>	<b>33,370</b>	<b>51,740</b>	<b>61,329</b>	<b>78,526</b>
<b>Diluted EPS (Rs)</b>	<b>39.4</b>	<b>37.5</b>	<b>58.1</b>	<b>68.9</b>	<b>88.2</b>
Diluted EPS growth (%)	6.8	(4.8)	55.0	18.5	28.0
<b>DPS (Rs)</b>	<b>10.0</b>	<b>11.0</b>	<b>11.0</b>	<b>13.0</b>	<b>15.0</b>
<b>Dividend payout (%)</b>	<b>25.4</b>	<b>29.2</b>	<b>19.2</b>	<b>18.9</b>	<b>17.0</b>
EBITDA margin (%)	10.4	9.4	9.5	10.4	11.0
EBIT margin (%)	9.2	8.3	8.6	9.4	10.0
Effective tax rate (%)	24.4	26.4	25.0	25.2	25.0
<b>NOPLAT (pre-IndAS)</b>	<b>35,600</b>	<b>36,796</b>	<b>56,437</b>	<b>66,552</b>	<b>82,568</b>
Shares outstanding (mn)	888	890	890	890	890

Source: Company, Emkay Research

## Cash flows

Y/E March (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
PBT (ex-other income)	40,900	40,490	63,500	75,491	97,552
Others (non-cash items)	-	-	-	-	-
Taxes paid	(12,180)	(10,730)	(17,360)	(20,662)	(26,175)
Change in NWC	(28,523)	(50,730)	(27,990)	(19,563)	(31,943)
<b>Operating cash flow</b>	<b>12,227</b>	<b>(4,510)</b>	<b>38,210</b>	<b>58,836</b>	<b>63,546</b>
Capital expenditure	(6,780)	(4,630)	(27,240)	(7,500)	(8,000)
Acquisition of business	(3,280)	280	(7,410)	0	0
Interest & dividend income	-	-	-	-	-
<b>Investing cash flow</b>	<b>250</b>	<b>3,800</b>	<b>(38,250)</b>	<b>21,490</b>	<b>(850)</b>
Equity raised/(repaid)	0	2	0	0	0
Debt raised/(repaid)	56,430	24,480	10,920	(47,850)	(28,430)
Payment of lease liabilities	(52,641)	(6,082)	(6,210)	(8,208)	(9,387)
Interest paid	(4,260)	(7,310)	(9,230)	(10,232)	(8,739)
Dividend paid (incl tax)	(9,766)	(9,790)	(9,790)	(11,570)	(13,350)
Others	(410)	(10)	18,690	0	0
<b>Financing cash flow</b>	<b>(10,647)</b>	<b>1,290</b>	<b>4,380</b>	<b>(77,860)</b>	<b>(59,906)</b>
Net chg in Cash	1,830	580	4,340	2,466	2,791
OCF	12,227	(4,510)	38,210	58,836	63,546
Adj. OCF (w/o NWC chg.)	40,750	46,220	66,200	78,399	95,489
FCFF	5,447	(9,140)	10,970	51,336	55,546
FCFE	1,187	(16,450)	1,740	41,104	46,807
OCF/EBITDA (%)	23.1	(7.9)	45.7	59.4	52.2
FCFE/PAT (%)	3.4	(49.3)	3.4	67.0	59.6
<b>FCFF/NOPLAT (%)</b>	<b>15.3</b>	<b>(24.8)</b>	<b>19.4</b>	<b>77.1</b>	<b>67.3</b>

Source: Company, Emkay Research

## Balance Sheet

Y/E March (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Share capital	888	890	890	890	890
Reserves & Surplus	93,042	115,350	156,140	205,899	271,076
<b>Net worth</b>	<b>93,930</b>	<b>116,240</b>	<b>157,030</b>	<b>206,789</b>	<b>271,966</b>
Minority interests	0	0	0	0	0
Non current liab. & prov.	19,690	24,250	47,780	50,822	53,236
<b>Total debt</b>	<b>78,380</b>	<b>102,860</b>	<b>113,780</b>	<b>65,930</b>	<b>37,500</b>
<b>Total liabilities &amp; equity</b>	<b>192,000</b>	<b>243,350</b>	<b>318,590</b>	<b>323,542</b>	<b>362,702</b>
Net tangible fixed assets	14,299	14,746	15,179	15,531	15,620
Net intangible assets	2,554	2,530	2,092	1,682	1,272
Net ROU assets	15,430	17,740	21,950	24,800	26,800
Capital WIP	970	1,050	1,630	1,630	1,630
Goodwill	1,230	1,230	7,580	7,580	7,580
Investments [JV/Associates]	6,800	6,520	13,930	13,930	13,930
<b>Cash &amp; equivalents</b>	<b>31,920</b>	<b>29,210</b>	<b>41,660</b>	<b>21,636</b>	<b>24,427</b>
Current assets (ex-cash)	234,730	326,340	478,170	523,750	588,826
Current Liab. & Prov.	119,500	160,380	284,220	310,238	343,370
<b>NWC (ex-cash)</b>	<b>115,230</b>	<b>165,960</b>	<b>193,950</b>	<b>213,513</b>	<b>245,456</b>
<b>Total assets</b>	<b>192,000</b>	<b>243,350</b>	<b>318,590</b>	<b>323,542</b>	<b>362,702</b>
Net debt	46,460	73,650	72,120	44,294	13,073
Capital employed	192,000	243,350	318,590	323,542	362,702
<b>Invested capital</b>	<b>136,880</b>	<b>188,830</b>	<b>239,420</b>	<b>261,546</b>	<b>295,915</b>
BVPS (Rs)	105.8	130.6	176.4	232.3	305.6
Net Debt/Equity (x)	0.5	0.6	0.5	0.2	-
Net Debt/EBITDA (x)	0.9	1.3	0.9	0.4	0.1
Interest coverage (x)	8.2	5.5	6.6	6.8	9.0
<b>RoCE (%)</b>	<b>33.5</b>	<b>28.0</b>	<b>33.0</b>	<b>35.1</b>	<b>40.3</b>

Source: Company, Emkay Research

## Valuations and key Ratios

Y/E March	FY24	FY25	FY26	FY27E	FY28E
P/E (x)	114.5	120.3	79.1	65.4	51.1
P/CE(x)	106.2	109.3	71.9	60.6	47.7
P/B (x)	42.6	34.5	25.6	19.4	14.8
EV/Sales (x)	7.9	6.8	4.7	4.3	3.7
EV/EBITDA (x)	76.5	71.8	48.9	41.2	33.6
EV/EBIT(x)	86.0	81.7	54.3	45.9	37.1
EV/IC (x)	29.6	21.6	17.1	15.6	13.8
FCFF yield (%)	0.1	(0.2)	0.3	1.3	1.4
FCFE yield (%)	-	(0.4)	-	1.0	1.2
Dividend yield (%)	0.2	0.2	0.2	0.3	0.3
<b>DuPont-RoE split</b>					
Net profit margin (%)	6.8	5.5	5.9	6.5	7.1
Total asset turnover (x)	3.2	3.0	3.4	3.2	3.5
Assets/Equity (x)	1.5	1.9	1.9	1.6	1.3
<b>RoE (%)</b>	<b>32.9</b>	<b>31.8</b>	<b>37.9</b>	<b>33.7</b>	<b>32.8</b>
<b>DuPont-RoIC</b>					
NOPLAT margin (%)	7.0	6.1	6.4	7.0	7.5
IC turnover (x)	4.2	3.7	4.1	3.8	4.0
<b>RoIC (%)</b>	<b>29.6</b>	<b>22.6</b>	<b>26.4</b>	<b>26.6</b>	<b>29.6</b>
<b>Operating metrics</b>					
Core NWC days	82.3	100.2	80.8	82.0	81.3
<b>Total NWC days</b>	<b>82.3</b>	<b>100.2</b>	<b>80.8</b>	<b>82.0</b>	<b>81.3</b>
Fixed asset turnover	16.8	17.1	17.3	14.0	14.6
Opex-to-revenue (%)	12.5	12.1	10.2	11.4	11.1

Source: Company, Emkay Research

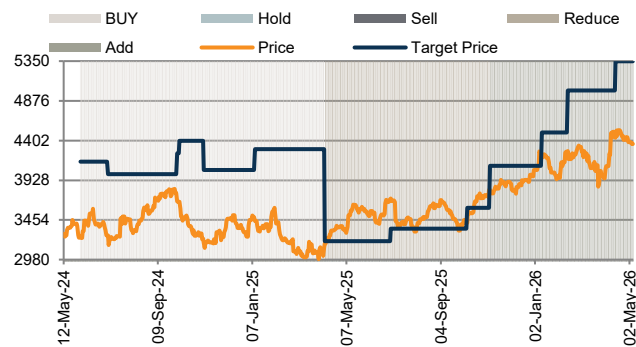
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## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
14-Apr-26	4,439	5,350	Add	Devanshu Bansal
11-Mar-26	4,140	5,000	Add	Devanshu Bansal
12-Feb-26	4,276	5,000	Add	Devanshu Bansal
10-Jan-26	4,202	4,500	Add	Devanshu Bansal
05-Nov-25	3,814	4,100	Add	Devanshu Bansal
07-Oct-25	3,418	3,600	Reduce	Devanshu Bansal
08-Aug-25	3,460	3,350	Reduce	Devanshu Bansal
26-Jul-25	3,463	3,350	Reduce	Devanshu Bansal
07-Jul-25	3,666	3,350	Reduce	Devanshu Bansal
02-Jul-25	3,708	3,350	Reduce	Devanshu Bansal
09-May-25	3,510	3,200	Reduce	Devanshu Bansal
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

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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