

Titan Company

Refer to important disclosures at the end of this report

Encouraging Q4 outlook should drive Street upgrades; maintain BUY

CMP	Target Price
Rs 2,308 as of (February 2, 2023)	Rs 2,940 (■) 12 months
Rating	Upside
BUY (■)	27.4 %

TTAN's adjusted EBITDA for Q3 was 6-9% below estimates, on weaker margins in TEAL subsidiary and intl. investments. Standalone margins were in line with our estimates. Jewelry segment saw UCP growth of 15% in Q3, led by 15-18% growth in Oct-22/Dec-22, while Nov-22 saw relatively-weaker growth trends. Interestingly, Jan-23 has seen robust growth trends of >20% on 3Y CAGR basis which should drive Street's earnings upgrades, in our view. Share of new buyers also rose, to ~49% of total buyers in Q3 vs. 46%/43% in Q2/Q1, pointing to market-share gains. On expected lines, Jewelry margins declined 170bps to 13% in Q3, due to focus on growth and a 100bps one-off in the base. TTAN maintained its near-term EBIT margin target of 12-13% for Jewelry, 13-14% for Watches and >15% for Eyewear. Given strong execution, we remain confident of the high-teens earnings trajectory continuing for TTAN in the medium term. The stock has corrected ~20% in the last 3 months which, in our view, is unwarranted. We maintain BUY on Titan, with Mar-24 TP of Rs2,940, based on 52x FY25 EPS. Stronger traction in the Taneira/Handbags/Intl. businesses remains a potential upside to estimates.

Result summary: The Jewelry division (ex-bullion) saw a strong 3-yr CAGR of 21%, while the watches/eyewear segment saw relatively-slower growth, at ~9% CAGR. Further, Caratlane maintained its strong growth trajectory, with ~50% CAGR. Street estimates point to a ~10% growth in Q4 (vs. our est. of ~20% growth). With strong growth trends in Jan-23, we see scope of upgrade in Street estimates. Strong network expansion continued with addition of 129 net stores across segments, led by 8/48/36/18 additions in Tanishq/Watches/Eyewear/Caratlane. Consol. EBITDA margins declined ~300bps, on account of the 250bps drop in SA margins and 600bps fall in subsidiary margins (TEAL/Intl.). Studied mix remained stable at 26% and EBIT margins for Caratlane improved ~200bps to 9.5% in Q3.

Earnings-call KTAs: 1) A larger part of the 15% UCP growth in Jewelry was led by buyer growth vs bill-size growth. 2) TTAN has gained share in the South, West (certain areas) and metros, while the East is seeing relatively slower pick-up. 3) Sales through gold exchange increased to 30%, due to aggressive gold exchange offers by TTAN. Such offers are expected to continue, given increase in gold prices. 4) TTAN targets Rs10bn worth of sales by FY27, for newly-launched women hand-wear brand IRT. 5) TTAN entered the US market with its first store in Q3, and focus is on towns with a high Indian population strata. Overall, the Intl. division has 6 stores (incl. 5 in the UAE) and Company plans adding ~20 more stores in coming 12 months. 6) Wearables contributed ~10% to overall watch sales, with the segment expected to see triple-digit growth in the near term. 7) TTAN's fine jewelry brand *Mia* is seeing accelerated expansion, with 51 additions over the last 12 months. 8) TTAN is working on lab grown diamonds, by leveraging its recent US-based acquisition *Clean Origin* in the space.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	2,16,440	2,87,990	3,95,497	4,75,789	5,69,025
EBITDA	17,240	33,411	49,814	60,609	73,934
EBITDA Margin (%)	8.0	11.6	12.6	12.7	13.0
APAT	9,740	22,521	33,580	40,944	50,052
EPS (Rs)	11.0	25.4	37.8	46.1	56.4
EPS (% chg)	(34.7)	131.2	49.1	21.9	22.2
ROE (%)	13.8	26.8	31.5	29.9	28.6
P/E (x)	210.4	91.0	61.0	50.0	40.9
EV/EBITDA (x)	116.9	60.9	40.8	33.1	26.7
P/BV (x)	27.3	22.0	17.1	13.3	10.5

Source: Company, Emkay Research

Change in Estimates

EPS Chg FY23E/FY24E (%)	(2)/0
Target Price change (%)	-
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY23E	FY24E
Emkay	37.8	46.1
Consensus	37.6	44.5
Mean Consensus TP (12M)	Rs 2,963	

Stock Details

Bloomberg Code	TTAN IN
Face Value (Rs)	1
Shares outstanding (mn)	888
52 Week H/L	2,791 / 1,825
M Cap (Rs bn/USD bn)	2,049 / 24.93
Daily Avg Volume (nos.)	10,55,767
Daily Avg Turnover (USD mn)	32.7

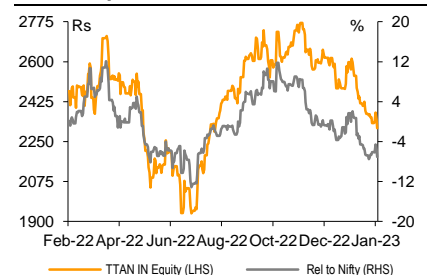
Shareholding Pattern Dec '22

Promoters	52.9%
FIIIs	17.5%
DIIIs	11.3%
Public and Others	18.3%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(10)	(15)	(3)	(6)
Rel. to Nifty	(7)	(13)	(5)	(5)

Relative price trend



Source: Bloomberg

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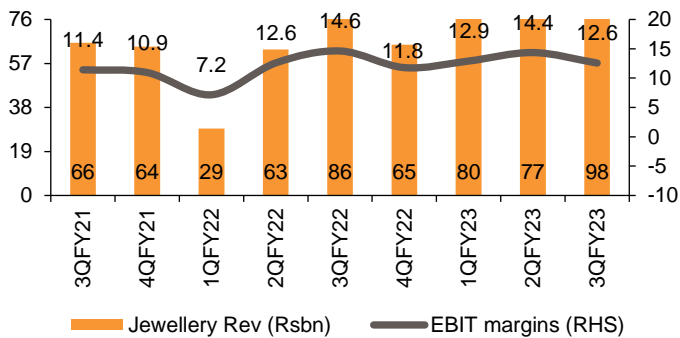
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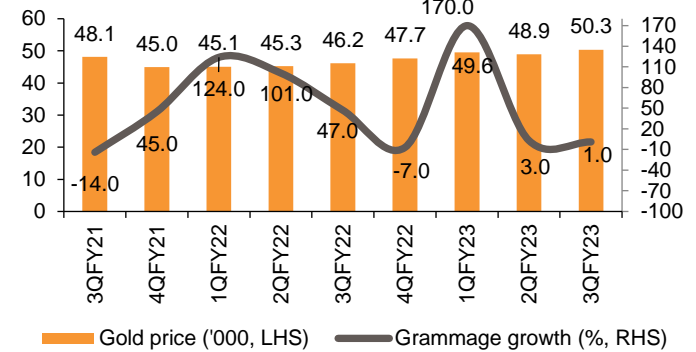
Story in Charts

Exhibit 1: Jewelry sales saw a strong 3Y CAGR of 22% in Q3, led by healthy SSG and 11% retail-space CAGR (%)



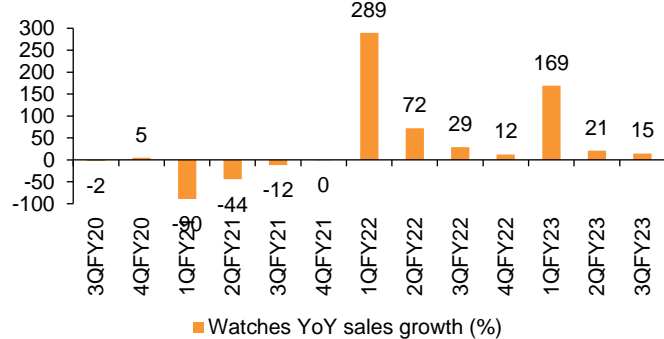
Source: Company, Emkay Research

Exhibit 2: Volume growth was lower due to elevated gold prices; however, buyer growth remained healthy in Q3



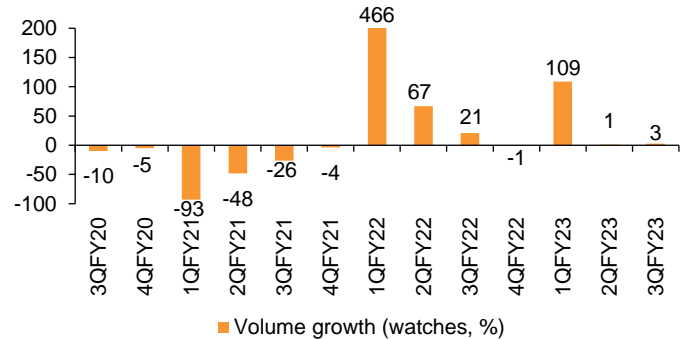
Source: Company, Emkay Research

Exhibit 3: Watches clocked a slower CAGR of ~9% on 3Y CAGR basis; growth expected to pick-up with strong traction in wearables



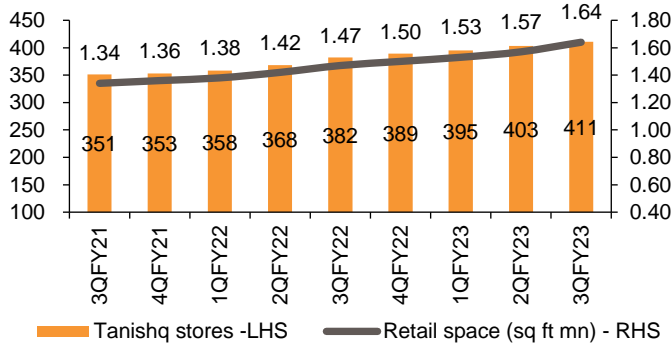
Source: Company, Emkay Research

Exhibit 4: Volumes have still not fully recovered in Watches vs. pre-Covid; however, Premium watches are seeing strong traction



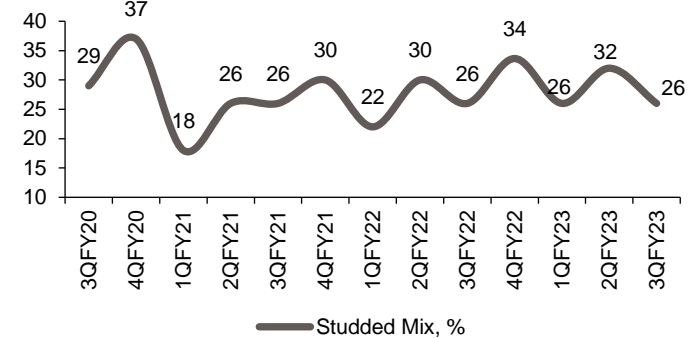
Source: Company, Emkay Research

Exhibit 5: Expansion of Tanishq continues to be strong



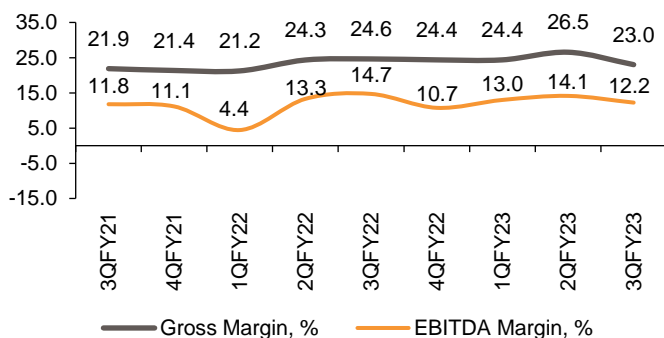
Source: Company, Emkay Research

Exhibit 6: Studded mix remained stable in Q3 at 26%



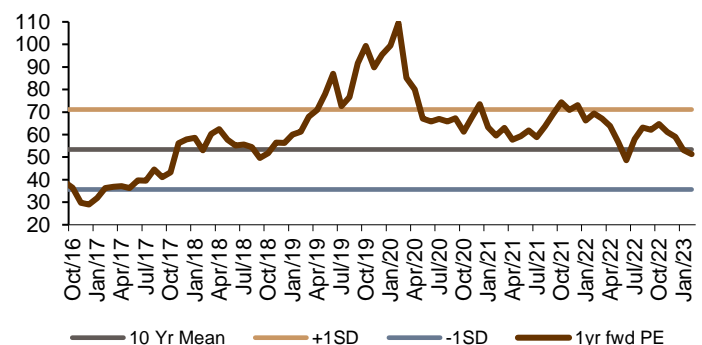
Source: Company, Emkay Research

Exhibit 7: Bullion sales (Rs3.15bn), growth investments and a 100bps one-off led to a 250bps drop in standalone EBITDA margins



Source: Company, Emkay Research, *Standalone margins

Exhibit 8: Titan's 1Y forward PER trend



Source: Company, Emkay Research

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Exhibit 9: Actual vs. Estimates (Q3FY23)

(Rs mn)	Actual	Estimates		Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenue	1,16,090	1,13,210	1,10,653	2.5%	4.9%	Adjusted for bullion sales, revenue was largely in line
EBITDA	13,470	14,292	14,855	-5.8%	-9.3%	Comparable margins were 70-150bps lower
EBITDA Margin (%)	11.6%	12.6%	13.4%	-102	-182	TEAL's weak margins and Intl. investments led to the miss
APAT	9,040	9,775	10,055	-7.5%	-10.1%	Lower EBITDA flowed into PAT

Source: Company, Emkay Research

Exhibit 10: Quarterly performance (Consolidated)

Y/E, March (Rs mn)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	YoY (%)	QoQ (%)	FY22TD	FY23TD	YoY (%)
Revenue	1,00,370	77,960	94,430	91,630	1,16,090	15.7	26.7	2,10,030	3,02,150	43.9
Expenditure	85,950	70,020	82,470	79,160	1,02,620	19.4	29.6	1,84,560	2,64,250	43.2
Consumption of RM	75,010	58,270	70,380	66,300	88,400	17.9	33.3	1,58,140	2,25,080	42.3
as % of sales	74.7%	74.7%	74.5%	72.4%	76.1%			75.3%	74.5%	
Other expenditure	10,940	11,750	12,090	12,860	14,220	30.0	10.6	26,420	39,170	48.3
as % of sales	10.9%	15.1%	12.8%	14.0%	12.2%			12.6%	13.0%	
EBITDA	14,420	7,940	11,960	12,470	13,470	-6.6	8.0	25,470	37,900	48.8
Depreciation	980	1,020	1,030	1,060	1,130	15.3	6.6	2,970	3,220	8.4
EBIT	13,440	6,920	10,930	11,410	12,340	-8.2	8.2	22,500	34,680	54.1
Other Income	570	760	440	610	890	56.1	45.9	1,580	1,940	22.8
Interest	570	610	650	600	790	38.6	31.7	1,570	2,040	29.9
PBT	13,440	7,070	10,720	11,420	12,440	-7.4	8.9	22,510	34,580	53.6
Total Tax	3,320	1,260	2,820	3,070	3,320	0.0	8.1	5,800	9,210	58.8
PAT after MI	10,120	5,810	7,900	8,350	9,120	-9.9	9.2	16,710	25,370	51.8
Extra ordinary items	0	540	0	0	-10				-10	
Reported PAT	10,120	5,270	7,900	8,350	9,130	-9.8	9.3	16,710	25,380	51.9
PAT after minority	10,040	5,100	7,850	8,310	9,040	-10.0	8.8	16,630	25,200	51.5
EPS (Rs)	11.3	5.7	8.8	9.4	10.2	-10.0	8.8	18.7	28.4	51.5

(%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	(bps)	(bps)	FY22TD	FY23TD	(bps)
EBITDA margin	14.4	10.2	12.7	13.6	11.6	-280	-200	12.1	12.5	40
EBIT margin	13.4	8.9	11.6	12.5	10.6	-280	-180	10.7	11.5	80
EBT margin	13.4	9.1	11.4	12.5	10.7	-270	-170	10.7	11.4	70
PAT margin	10.0	6.5	8.3	9.1	7.8	-220	-130	7.9	8.3	40
Effective Tax rate	24.7	17.8	26.3	26.9	26.7	200.0	-20.0	25.8	26.6	90

Source: Company, Emkay Research

Exhibit 11: Segment Financials

Revenue (Rs mn)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	YoY (%)	QoQ (%)	FY22TD	FY23TD	YoY (%)
Watches	7,080	6,220	7,850	8,290	8,110	14.5	-2.2	16,870	24,250	43.7
Jewelry	86,170	65,070	79,560	76,850	98,330	14.1	28.0	1,78,060	2,51,590	41.3
Eyewear	1,560	1,340	1,830	1,670	1,740	11.5	4.2	3,830	5,240	36.8
Others	520	420	560	730	890	71.2	21.9	1,120	2,180	94.6
Corporate	370	470	250	360	590	59.5	63.9	1,160	1,200	3.4
Total Standalone	95,700	73,520	90,050	87,900	1,09,660	14.6	24.8	2,01,040	2,84,460	41.5
Caratlane	4,470	3,650	4,830	4,480	6,770	51.5	51.1	8,990	16,080	78.9
Teal	820	1,790	890	1,230	1,250	52.4	1.6	2,040	3,370	65.2
Others	-40	-240	-900	-1370	-700	1650.0	-48.9	-440	-2,970	575.0
Total Consolidated	1,00,950	78,720	94,870	92,240	1,16,980	15.9	26.8	2,11,630	3,00,940	42.2
EBIT (Rs mn)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	YoY (%)	QoQ (%)	FY22TD	FY23TD	YoY (%)
Watches	820	-100	1,030	1,230	890	8.5	-27.6	1,180	3,150	166.9
Jewelry	12,600	7,670	10,270	11,030	12,360	-1.9	12.1	22,600	33,660	48.9
Eyewear	340	-80	360	280	320	-5.9	14.3	580	960	65.5
Others	-70	-300	-450	-490	-290	314.3	-40.8	-280	-1,230	339.3
Total Standalone	13,690	7,190	11,210	12,050	13,280	-3.0	10.2	24,080	36,540	51.7
Caratlane	330	170	340	290	640	93.9	120.7	430	1,270	195.3
Teal	50	210	-50	140	0	-100.0	-100.0	30	90	200.0
Others	-60	-400	-120	-460	-680	1033.3	47.8	-460	-1,260	173.9
Total Consolidated	14,010	7,170	11,380	12,020	13,240	-5.5	10.1	24,080	36,640	52.2
Margin (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	(bps)	(bps)	FY22TD	FY23TD	(bps)
Watches	11.6	(1.6)	13.1	14.8	11.0	-60	-390	7.0	13.0	600
Jewelry	14.6	11.8	12.9	14.4	12.6	-210	-180	12.7	13.4	70
Eyewear	21.8	(6.0)	19.7	16.8	18.4	-340	160	15.1	18.3	320
Others	(13.5)	(71.4)	(80.4)	(67.1)	(32.6)	-1,910	3,450	(25.0)	(56.4)	-3,140
Total Standalone	14.3	9.8	12.4	13.7	12.1	-220	-160	12.0	12.8	90
Caratlane	7.4	4.7	7.0	6.5	9.5	210	300	4.8	7.9	310
Teal	6.1	11.7	(5.6)	11.4	-	-610	-1,140	1.5	2.7	120
Total Consolidated	13.9	9.1	12.0	13.0	11.3	-260	-170	11.4	12.2	80

Source: Company, Emkay Research

Exhibit 12: Peer Comparison

Companies	Price (Rs)	Mcap (Rs bn)	Reco	Target Price (Rs)	EPS (Rs)			P/E (x)			EV / EBITDA (x)		
					FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
ABFRL	248	235	Buy	365	2.2	5.6	8.2	114.6	44.3	30.1	13.9	10.5	8.5
Jubilant Foodworks	436	287	Hold	480	6.6	8.5	10.6	65.6	51.5	41.1	23.7	19.5	16.3
Page Industries	40,053	447	Buy	50,500	618.5	730.8	872.2	64.8	54.8	45.9	43.2	36.5	30.8
Titan Company	2,308	2,049	Buy	2,940	37.8	46.1	56.4	61.0	50.0	40.9	40.8	33.5	27.5
Westlife Foodworld	696	109	Hold	810	7.9	10.3	12.9	88.3	67.6	53.8	26.6	22.4	18.9
TCNS Clothing	476	29	Hold	570	1.8	16.7	21.2	263.6	28.6	22.4	17.9	8.6	7.0
Devyani International	150	181	Buy	230	2.1	2.8	3.7	72.5	53.9	40.8	26.3	19.4	15.4
Sapphire Foods	1,183	75	Buy	1,700	19.6	34.8	40.6	60.4	34.0	29.1	16.0	11.6	9.0

Source: Company, Emkay Research

Exhibit 13: Changes in estimates

Y/E, March (Rs mn)	FY23E			FY24E			FY25E		
	Earlier	Revised	% Change	Earlier	Revised	% Change	Earlier	Revised	% Change
Revenue	3,91,808	3,95,497	0.9	4,72,291	4,75,789	0.7	5,67,345	5,69,025	0.3
EBITDA	50,761	49,814	-1.9	60,417	60,609	0.3	74,249	73,934	-0.4
EBITDA Margin (%)	13.0	12.6	-40 bps	12.8	12.7	-10 bps	13.1	13.0	-10 bps
PAT	34,085	33,580	-1.5	40,794	40,944	0.4	50,274	50,052	-0.4
EPS (Rs)	38.4	37.8	-1.5	45.9	46.1	0.4	56.6	56.4	-0.4

Source: Company, Emkay Research

Exhibit 14: Quarterly snapshot of retail growth

Particulars	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
World of Titan	-14%	8%	86%	79%	24%	15%	241%	31%	14%
Tanishq	13%	63%	115%	75%	37%	1%	202%	13%	14%
Titan Eye+	-3%	28%	74%	69%	19%	-4%	180%	12%	14%
Fastrack	-24%	-4%	63%	51%	9%	-9%	230%	26%	19%
Helios	-9%	10%	73%	69%	43%	35%	278%	46%	32%
LFS (Watches)	-23%	-3%	323%	103%	35%	8%	358%	63%	20%

Source: Company, Emkay Research

Exhibit 15: Quarterly snapshot of LTL growth

Particulars	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
World of Titan	-15%	7%	91%	78%	22%	13%	227%	26%	8%
Tanishq	7%	47%	119%	66%	31%	4%	195%	9%	9%
Titan Eye+	-3%	27%	47%	59%	10%	-13%	185%	1%	1%
Fastrack	-22%	-2%	80%	52%	11%	-5%	231%	26%	18%
Helios	-14%	6%	78%	51%	30%	14%	227%	27%	11%
LFS (Watches)	-23%	-3%	324%	102%	33%	3%	338%	52%	25%

Source: Company, Emkay Research

Exhibit 16: TTAN's demand-related growth

	FY22	FY25E	FY35E	FY22-25E	FY25-35E	>FY35E
	CAGR (%)					
Gold jewelry sales volume (ton)	600	600	600	0.0	0.0	0.0
Gold Price (Rs/10g)	46,046	52,218	85,057	4.3	5.0	5.0
Premiumization benefit (%)				5.2	2.5	1.0
Share of organized segment (%)	35.0	40.0	60.0	4.6	4.1	0.5
Share of Titan in organized segment (%)	20.1	25.0	30.0	7.5	1.8	0.5
Titan jewelry revenues (Rs bn)	243	455	1,710	23.3	14.1	7.1
Jewelry segment EBIT margin (%)	12.5	13.0	13.5	1.5	0.4	0.3
Titan jewelry EBIT (Rs bn)	30.3	59.2	231	25.1	14.6	7.4
Watches/Eyewear/Caratlane/TEAL						
Revenue	45.7	98.3	608.6	29.1	20.0	9.0
EBIT Margin (%)	2.9	13.3	15.0	66.9	1.2	1.0
EBIT	1.3	13.1	91.3	115.5	21.4	10.1
New Segments [Taneira/Handbags/Intl.]						
Revenue	1.5	15.2	441.0	114.7	40.0	10.0
EBIT Margin (%)	(23.4)	(10.0)	11.0			2.0
EBIT	(0.4)	(1.5)	48.5			12.2
Titan consol revenues (INR bn)	290	569	2,759	25.1	17.1	8.0
Consol. EBIT margin (%)	10.8	12.4	13.4	5.0	1.8	
Titan consol. EBIT	31.2	70.8	370.6	31.4	18.0	8.7

Source: Company, Emkay Research

Exhibit 17: Titan – Target P/E derived from a two-stage dividend growth model

Revenue CAGR [FY22-25E] (%)	25.5
EPS CAGR [FY22-25E] (%)	30.5
Stage-1: FY25E-35E	
EPS in Yr-0 [FY25E] (Rs)	56.4
EPS in Yr-1 (Rs)	66.5
EPS CAGR (%)	18.0
Years of growth [n]	10.0
Sustainable RoE (%)	53.0
CoE (%)	12.0
Implied DPR (%)	66
Terminal stage: >FY35E	
EPS growth (%)	8.5
Sustainable RoE (%)	53.0
Implied DPR (%)	84
Fair value P/E in Mar-25E (x)	44.7
Fair value in Mar-25E (x)	2,974
Fair value in Mar-24E (x)	2,656
NPV of dividends in FY23E-25E (Rs/share)	16
Overall fair value in Mar-24E (Rs/share)	2,672
Mar'25E EPS (Rs)	56.4
Implied fair value P/E in Mar-24E (x)	47.4
Premium applied to FV (%) [a]	10.0
Implied target P/E in Mar-24E (x)	52
Implied TP in Mar-24E (x)	2,940
CMP (Rs/share)	2,308
Upside (%)	27

Source: Emkay Research; [a] EBIT margin expansion will likely be front-loaded than assumed

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	2,16,440	2,87,990	3,95,497	4,75,789	5,69,025
Expenditure	1,99,200	2,54,579	3,45,683	4,15,181	4,95,091
EBITDA	17,240	33,411	49,814	60,609	73,934
Depreciation	3,750	3,990	4,398	5,151	5,959
EBIT	13,490	29,421	45,416	55,458	67,975
Other Income	1,860	2,340	2,829	2,300	2,530
Interest expenses	2,030	2,180	2,743	3,020	3,591
PBT	13,320	29,581	45,501	54,738	66,915
Tax	3,530	7,060	11,921	13,794	16,862
Extraordinary Items	0	(540)	0	0	0
Minority Int./Income from Assoc.	(50)	0	0	0	0
Reported Net Income	9,740	21,981	33,580	40,944	50,052
Adjusted PAT	9,740	22,521	33,580	40,944	50,052

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	888	888	888	888	888
Reserves & surplus	74,088	92,244	1,19,166	1,53,008	1,94,626
Net worth	74,976	93,132	1,20,054	1,53,895	1,95,513
Minority Interest	44	300	300	300	300
Loan Funds	14,210	18,770	13,850	13,800	13,386
Net deferred tax liability	(590)	(1,160)	(883)	(567)	(207)
Total Liabilities	88,640	1,11,042	1,33,320	1,67,428	2,08,992
Net block	23,730	24,200	26,002	26,551	26,293
Investment	33,030	8,132	8,132	8,132	8,132
Current Assets	1,03,920	1,74,380	2,08,443	2,62,605	3,28,087
Cash & bank balance	5,600	15,730	16,367	39,867	71,357
Other Current Assets	7,520	9,770	9,770	10,747	11,822
Current liabilities & Provision	73,590	97,750	1,11,337	1,31,940	1,55,599
Net current assets	30,330	76,630	97,106	1,30,665	1,72,488
Misc. exp	0	0	0	0	0
Total Assets	88,640	1,11,042	1,33,320	1,67,428	2,08,992

Cash Flow

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	13,270	29,041	45,501	54,738	66,915
Other Non-Cash items	0	0	0	0	0
Chg in working cap	24,085	(35,750)	(19,562)	(9,743)	(9,973)
Operating Cashflow	40,390	(8,599)	21,159	39,372	49,629
Capital expenditure	(1,196)	(2,619)	(4,000)	(3,500)	(3,500)
Free Cash Flow	39,194	(11,218)	17,159	35,872	46,129
Investments	(26,914)	27,900	0	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(28,099)	22,280	(4,000)	(3,500)	(3,500)
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(5,594)	3,540	(5,160)	0	0
Dividend paid (incl tax)	(3,551)	(4,439)	(6,659)	(7,102)	(8,434)
Other Financing Cash Flow	673	(471)	(1,960)	(2,250)	(2,614)
Financing Cashflow	(10,502)	(3,550)	(16,522)	(12,372)	(14,639)
Net chg in cash	1,789	10,130	637	23,500	31,489
Opening cash position	3,811	5,600	15,730	16,367	39,867
Closing cash position	5,600	15,730	16,367	39,867	71,357

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY21	FY22	FY23E	FY24E	FY25E
EBITDA Margin	8.0	11.6	12.6	12.7	13.0
EBIT Margin	6.2	10.2	11.5	11.7	11.9
Effective Tax Rate	26.5	23.9	26.2	25.2	25.2
Net Margin	4.5	7.8	8.5	8.6	8.8
ROCE	21.9	38.1	45.6	42.3	40.4
ROE	13.8	26.8	31.5	29.9	28.6
RoIC	16.2	33.5	34.9	37.0	41.5

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	11.0	25.4	37.8	46.1	56.4
CEPS	15.2	29.9	42.8	51.9	63.1
BVPS	84.5	104.9	135.2	173.3	220.2
DPS	4.0	4.0	7.5	8.0	9.5

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	210.4	91.0	61.0	50.0	40.9
P/CEPS	167.0	85.0	59.3	48.9	40.2
P/BV	27.3	22.0	17.1	13.3	10.5
EV / Sales	9.3	7.1	5.1	4.2	3.5
EV / EBITDA	116.9	60.9	40.8	33.1	26.7
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.4

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	(0.4)	(0.2)	(0.1)	(0.3)	(0.4)
Net Debt/EBIDTA	(1.9)	(0.5)	(0.3)	(0.7)	(1.0)
Working Cap Cycle (days)	41.7	77.2	74.5	69.7	64.9

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	2.8	33.1	37.3	20.3	19.6
EBITDA	(30.1)	93.8	49.1	21.7	22.0
EBIT	(36.3)	118.1	54.4	22.1	22.6
PAT	(34.7)	125.7	52.8	21.9	22.2

Quarterly (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
Revenue	1,00,370	77,960	94,430	91,630	1,16,090
EBITDA	14,420	7,940	11,960	12,470	13,470
EBITDA Margin (%)	14.4	10.2	12.7	13.6	11.6
PAT	10,040	5,100	7,850	8,310	9,040
EPS (Rs)	11.3	5.7	8.8	9.4	10.2

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Promoters	52.9	52.9	52.9	52.9	52.9
FIs	18.6	18.4	16.8	17.0	17.5
DIs	10.3	10.2	11.3	11.9	11.3
Public and Others	18.3	18.5	19.1	18.2	18.3

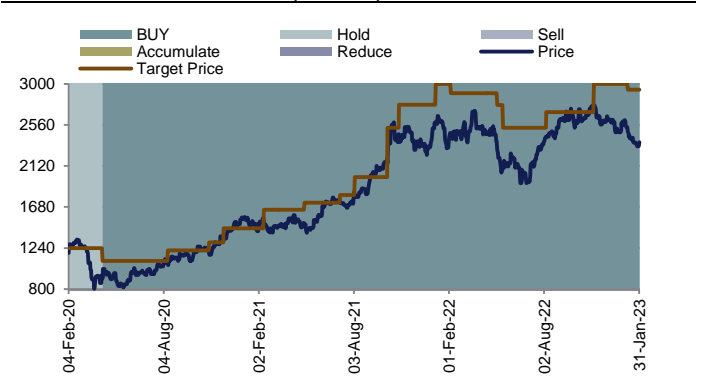
Source: Capitaline

RECOMMENDATION HISTORY (Rs/share)

Date	Closing Price	TP	Period	Rating	Analyst
09-Jan-23	2,485	2,940	12m	Buy	Devanshu Bansal
05-Nov-22	2,770	3,000	12m	Buy	Devanshu Bansal
06-Oct-22	2,593	2,700	12m	Buy	Devanshu Bansal
06-Aug-22	2,433	2,700	12m	Buy	Devanshu Bansal
07-Jul-22	2,128	2,530	12m	Buy	Devanshu Bansal
15-May-22	2,092	2,530	12m	Buy	Devanshu Bansal
04-May-22	2,290	2,775	12m	Buy	Devanshu Bansal
08-Apr-22	2,510	2,900	12m	Buy	Devanshu Bansal
04-Feb-22	2,471	2,900	12m	Buy	Devanshu Bansal
06-Jan-22	2,596	3,000	12m	Buy	Devanshu Bansal
28-Oct-21	2,375	2,778	12m	Buy	Devanshu Bansal
06-Oct-21	2,148	2,530	12m	Buy	Devanshu Bansal
04-Aug-21	1,800	2,000	12m	Buy	Devanshu Bansal
07-Jul-21	1,727	1,810	12m	Buy	Devanshu Bansal
30-Apr-21	1,492	1,725	12m	Buy	Devanshu Bansal
07-Apr-21	1,514	1,650	12m	Buy	Devanshu Bansal
11-Feb-21	1,525	1,650	12m	Buy	Devanshu Bansal
07-Dec-20	1,425	1,450	12m	Buy	Devanshu Bansal
26-Nov-20	1,327	1,450	12m	Buy	Devanshu Bansal
29-Oct-20	1,178	1,300	12m	Buy	Devanshu Bansal
07-Oct-20	1,254	1,215	12m	Buy	Devanshu Bansal
11-Aug-20	1,066	1,215	12m	Buy	Devanshu Bansal
10-Jun-20	977	1,100	12m	Buy	Devanshu Bansal
14-Apr-20	967	1,100	12m	Buy	Devanshu Bansal
08-Apr-20	913	1,100	12m	Buy	Devanshu Bansal
05-Feb-20	1,280	1,240	12m	Hold	Devanshu Bansal

Source: Company, Emkay Research

RECOMMENDATION HISTORY (Rs/share)



Source: Bloomberg, Company, Emkay Research

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HOLD	Between -5% to 15%
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