

Valuation and risks

Titan: We model revenue/ EBITDA/PAT CAGR of 18/18/18(%) over FY24E-26E. Maintain **HOLD** with a revised DCF-based revised target price of INR 3,500 (earlier INR 3,300). Key upside risk is lower competitive activity. Key downside risk is worsening of macro environment leading to demand slowdown.

Kalyan Jewellers: We model revenue/EBITDA/PAT CAGR of 30/27/46(%) over FY24-FY26E. Maintain **ADD** with a revised DCF-based revised target price of INR 700 (earlier INR 600). Key risks: Delay in showroom expansion; and potentially higher competitive intensity in core south India markets.

Exhibit 10: Jewellery valuation summary

Company	CMP (INR)	TP (INR)	Upside (%)	Rating	PE (x)		EV/EBITDA (x)		ADTV (USD mn)	Market cap.		EV/ sales (x)	
					FY25E	FY26E	FY25E	FY26E		(INR bn)	(USD bn)	FY25E	FY26E
Kalyan Jewellers	651	700	8	ADD	76	53	42	33	16.4	560	6.7	2.8	2.2
Titan	3,621	3,500	(3)	HOLD	81	66	53	45	66.6	3,091	37.0	5.9	5.0

Company	P/B (x)		P/CEPS (x)		RoE (%)		RoCE (%)		CAGR (FY24E-26E) (%)		
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	Revenues	EBITDA	PAT
Kalyan Jewellers	14	11	57	42	18	20	15	17	30	27	46
Titan	27	20	77	57	37	35	26	27	18	18	18

Source: I-Sec research