

FINANCIAL MODEL

PLANT VISIT

# Rising Stars 2025

IMPORT  
SUBSTITUTION

ORGANISED  
V/S  
UNORGANISED

MANAGEMENT MEET

EXPORT  
OPPORTUNITY

FAST GROWING  
BUSINESSES

INDUSTRY  
POTENTIAL

CAPACITY  
EXPANSION

PEER ANALYSIS

VALUATION MODEL



<b>Current Price (Rs)*</b>	<b>373.8</b>
<b>Target Price (Rs)</b>	<b>431.0</b>
<b>Upside (%)</b>	<b>15.3</b>

\*closing price of 09<sup>th</sup> June, 2025**STOCK DATA**

Industry Segment	Retail
BSE Code	543936
NSE Code	SENCO
Bloomberg Code	SENCO IN
52 Week High / Low (Rs.)	772.0/227.4
Face Value (Rs.)	5.0
Diluted Number of Shares (Crore.)	16.4
Market Cap. (Rs Crore.)	6,118.4

**SHAREHOLDING PATTERN (%)**

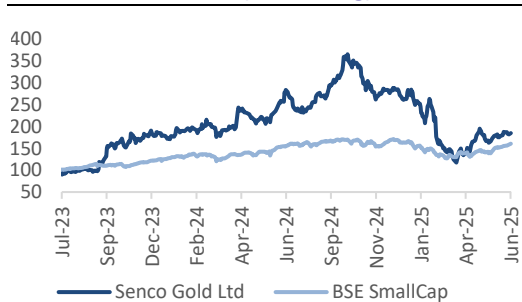
Particulars	Jun-24	Sep-24	Dec-24	Mar-25
Promoters	68.5	67.5	64.1	64.3
FII	7.7	8.6	8.9	7.2
Other Institution	10.5	9.6	13.3	12.6
Public & Others	13.4	14.4	13.7	15.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**RETURNS STATISTICS (%)**

Particulars	1M	3M	6M	12M
Senco Gold	11.6	24.8	-34.5	-18.5
BSE SmallCap	15.7	18.6	-5.7	11.0

**VALUATION & RETURN RATIOS**

Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
PE (x)	38.7	33.9	38.5	28.7	25.2
P/BV (x)	6.5	4.5	3.1	2.8	2.5
EV/EBITDA (x)	21.7	18.9	19.9	15.4	13.7
EV/Net Sales (x)	1.7	1.4	1.2	1.0	0.9
Mcap/Sales (x)	1.5	1.2	1.0	0.8	0.7
RoE (%)	19.0	15.7	9.6	10.3	10.6
ROCE (%)	16.3	14.3	10.7	11.5	11.8

**STOCK PERFORMANCE (since listing)****Key highlights of 4QFY25 result**

**Strong growth across operational metrics despite volatile gold prices:** Senco Gold posted strong growth across Revenue/EBITDA/PAT of 21.1%/44.8%/94.1% YoY respectively led by healthy wedding sales. Gold jewellery sales grew 20% YoY, however volumes declined 6% YoY due to high gold prices. Diamond jewellery sales and volumes grew 38%/21% YoY respectively leading to an increase in stud ratio to 10.9% in FY25 vs 10.5% in 9MFY25. EBITDA margin improved 151 bps/542 bps YoY/QoQ respectively to 9.2%. The overall SSSG (Same-Store-Sales-Growth) was 18% in 4QFY25. Senco's annual SSSG continues to be in the range of 15-16% led by strong traction from both repeat as well as new customers. Non-East India business grew 23% YoY to Rs 1,230 cr during the quarter. The region contributes ~18% to the total revenues.

**Industry scenario:** The industry witnessed a shift in consumer preference to 14-carat/18-carat gold jewellery as well as lightweight jewellery due to spike in gold prices. This is evident from about 15% increase in ATV (avg. ticket value) to Rs 73,000 which is lesser than the rise in gold prices. The share of old gold exchange has also gone up to 39-40% of the total sales (vs. 25% 2-3 years back) owing to high gold prices. Out of this, more than 60% was from non-Senco customers which reflects healthy shift from unorganized to organized market.

**Total addition of 5/16 stores in 4QFY25/FY25:** The company opened 5 new stores in 4QFY25 comprising of 2 company-owned-company-operated stores (COCO) stores, 2 franchise stores and 1 FOFO store. During FY25, Senco added 16 new stores – 6 franchise stores, 9 COCO stores and 1 Sennes stores (for lab-grown diamond, perfumes, and leather bags) taking the total store count to 175 as of Mar'25.

**Guidance & Outlook:** Management has reiterated topline growth of 18-20% in FY26 and grow PAT with focus on improving diamond sales. The company targets EBITDA margin of 6.8-7.2% and a PAT margin of 3.5-3.7%. In a high gold price environment, management will focus on lightweight jewellery while the wedding segment contribution will continue to remain around 35-40% of the overall business. It further expects 15-20% volume growth in diamonds with shift in consumer preference towards lower-purity, lightweight and diamond studded jewellery. The company aims to add 18-20 stores in FY26 with high focus on adding more franchise stores (minimum 10 franchisees and 8-10 COCO stores) with strong focus on opening stores in East India and North India. With increasing diamond sales, the company is confident of achieving 15% stud ratio in next 3-4 years.

**Maintain BUY – Target Price unchanged at Rs 431:** We have done minor changes in our FY26E/FY27E PAT estimates factoring in the latest guidance and outlook on the company. We value the company at 32x of its 1-Yr rolling forward EPS and keep our target price unchanged at Rs 431 which implies an upside potential of 15.3% for 12-18 months.

**Financial Summary**

Particulars (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net sales	4,077.4	5,241.4	6,328.1	7,561.5	8,620.0
growth (%)	15.4	28.5	20.7	19.5	14.0
EBITDA	316.6	375.5	367.6	475.9	542.5
growth (%)	14.2	18.6	-2.1	29.5	14.0
EBITDA margin (%)	7.8	7.2	5.8	6.3	6.3
Adj. Net Profit	158.5	181.0	159.3	213.6	243.1
growth (%)	22.7	14.2	-12.0	34.1	13.8
EPS (Rs)	9.7	11.1	9.7	13.0	14.9
P/E (x)	38.7	33.9	38.5	28.7	25.2
P/BV (x)	6.5	4.5	3.1	2.8	2.5
D/E (x)	1.2	1.1	0.9	0.9	0.9
RoE (%)	19.0	15.7	9.6	10.3	10.6
RoCE (%)	16.3	14.3	10.7	11.5	11.8
Dividend yield (%)	0.3	0.2	0.1	0.2	0.2

## 4QFY25 Result

Particulars	4QFY25	4QFY24	Y-o-Y % Change	3QFY25	Q-o-Q % Change	Comments
<b>Net Sales</b>	<b>1,377.7</b>	<b>1,137.3</b>	<b>21.1</b>	<b>2,102.5</b>	<b>-34.5</b>	<b>Robust revenue growth supported by 20%/38% gold and diamond jewellery sales growth</b>
COGS	1,146.5	942.9	21.6	1,892.9		
Employee Cost	35.7	28.0	27.1	36.1		
Other Expense	68.6	78.6	-12.8	93.6		
Total Operating Expenditure	1,250.7	1,049.6	19.2	2,022.6		
<b>EBITDA</b>	<b>127.0</b>	<b>87.7</b>	<b>44.8</b>	<b>80.0</b>	<b>58.9</b>	<b>Strong traction in diamond sales, increase in stud ratio and lower operating cost contributed to strong EBITDA growth</b>
EBITDA Margin (%)	9.2	7.7		3.8		
Depreciation	19.1	18.4		13.1		
EBIT	107.9	69.3	55.6	66.9	61.3	
EBIT Margin (%)	7.8	6.1		3.2		
Interest	37.5	29.8		33.9		
Other Income	14.7	12.8		12.7		
Extraordinary item	-	-		-		
<b>PBT</b>	<b>85.1</b>	<b>52.4</b>	<b>62.4</b>	<b>45.6</b>	<b>86.5</b>	
PBT Margin (%)	6.2	4.6		2.2		
Tax	22.6	20.2	12.0	12.1	86.5	
Effective Tax Rate (%)	26.6	38.6		26.6		
<b>PAT</b>	<b>62.4</b>	<b>32.2</b>	<b>94.1</b>	<b>33.5</b>	<b>86.4</b>	<b>Healthy sales growth and supportive operating margins led to 94% YoY growth in PAT</b>
PAT Margin (%)	4.5	2.8		1.6		
EPS (Rs per share)	3.8	2.0	94.1	2.0	86.4	

Source: Company/SSL Research

## Estimates

Particulars (Rs cr)	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	7,561.5	8,620.0	7,490.7	8,910.5	0.9	-3.3
EBITDA	475.9	542.5	471.5	560.8	0.9	-3.3
EBITDA Margin (%)	6.3	6.3	6.3	6.3	-	-
PAT	213.6	243.1	208.1	251.8	2.6	-3.5
EPS (Rs per share)	13.0	14.9	12.7	15.3	2.7	-2.9

Source: SSL Research

## Valuation – Rolling 1-Yr Forward PE



Source: SSL Research

## Financial Statements

## Income Statement

Particulars	Figures in cr				
	FY23A	FY24A	FY25A	FY26E	FY27E
Net sales	4,077.4	5,241.4	6,328.1	7,561.5	8,620.0
growth (%)	15.4	28.5	20.7	19.5	14.0
Operating expenses	3,760.8	4,865.9	5,960.4	7,085.6	8,077.4
EBIDTA	316.6	375.5	367.6	475.9	542.5
growth (%)	14.2	18.6	-2.1	29.5	14.0
Depreciation & amortization	45.6	60.1	68.1	81.2	92.9
EBIT	271.0	315.4	299.5	394.7	449.6
Other income	31.1	42.2	54.6	56.2	57.9
Interest paid	86.1	108.1	136.2	158.8	175.0
PBT	216.1	249.5	217.9	292.0	332.4
Tax	57.7	68.5	58.6	78.5	89.3
Effective tax rate (%)	26.7	27.5	26.9	26.9	26.9
Reported Net profit	158.4	181.0	159.3	213.6	243.1
Minority interest/Share of JVs	-	-	-	-	-
Adj. Net profit after minority interest	158.4	181.0	159.3	213.6	243.1
Non-recurring items	-	-	-	-	-
Adj. Net profit after minority interest & exceptional items	158.4	181.0	159.3	213.6	243.1
growth (%)	22.7	14.2	-12.0	34.1	13.8

## Balance Sheet

Particulars	Figures in cr				
	FY23A	FY24A	FY25A	FY26E	FY27E
Cash & Bank balances	437.6	551.4	590.9	724.8	743.1
Inventories	1,885.5	2,457.0	3,299.3	3,420.7	3,858.9
Other current assets	178.0	275.0	359.0	390.2	421.2
Net fixed assets	279.6	362.0	404.7	414.8	434.8
Tangible Assets	84.7	115.8	137.6	138.9	145.5
Right of Use Assets	192.7	243.4	264.4	274.1	287.1
Intangible Assets	2.2	2.8	2.7	1.9	2.2
Capital WIP	13.1	1.5	2.0	2.1	2.4
Long Term Investments	0.1	0.1	0.2	0.2	0.2
Other non-current assets	111.5	75.7	90.4	120.1	136.9
Total assets	2,905.2	3,722.7	4,746.4	5,072.8	5,597.4
Current liabilities	1,744.2	2,111.5	2,511.0	2,617.6	2,876.6
Borrowings	1.4	1.1	1.1	1.4	1.4
Lease Liabilities	188.4	235.5	254.9	257.6	279.3
Other non-current liabilities	25.7	9.1	9.1	21.7	22.6
Total Non-Current liabilities	1,959.7	2,357.1	2,776.1	2,898.3	3,179.8
Share capital	55.9	77.7	81.8	81.8	81.8
Reserves & surplus	876.4	1,287.8	1,888.5	2,092.6	2,335.7
Shareholders' funds	945.5	1,365.5	1,970.3	2,174.5	2,417.6
Minority interest	-	-	-	-	-
Total equity & liabilities	2,905.2	3,722.7	4,746.4	5,072.8	5,597.4

## Cash Flow Statement

Particulars	Figures in cr				
	FY23A	FY24A	FY25A	FY26E	FY27E
Pre-tax profit	216.1	249.5	217.9	292.0	332.4
Depreciation	45.6	60.1	68.1	81.2	92.9
Chg in working capital	-349.2	-608.1	-524.6	-196.5	-376.3
Total tax paid	-59.2	-70.8	-74.5	-78.5	-89.3
Other operating activities	68.5	75.3	92.0	118.3	130.7
Operating CF	-78.2	-293.8	-221.2	216.7	90.4
Capital expenditure	-31.1	-38.2	-36.8	-34.5	-35.3
Other investing activities	-166.9	-80.2	4.6	2.6	19.1
Investing CF	-198.0	-118.5	-32.2	-31.9	-16.2
FCF	-109.3	-332.1	-258.0	182.2	55.1
Equity raised/(repaid)	75.0	248.2	448.3	-	-
Debt raised/(repaid)	314.2	321.2	-2.9	150.4	163.1
Payment of lease liabilities	-20.4	-59.7	-67.7	-71.2	-77.5
Interest paid	-81.2	-79.1	-102.6	-120.6	-130.9
Dividend (incl. tax)	-11.4	-9.3	-7.0	-9.4	-10.7
Other financing activities	-	-	-	-	-
Financing CF	276.2	421.3	268.2	-50.8	-55.9
Net chg in cash bal.	-0.1	9.0	14.7	133.9	18.3
Opening cash position	9.6	9.5	18.5	33.3	167.2
Bank balance other than cash & cash equivalents	428.1	532.8	557.6	557.6	557.6
Closing cash balance	9.5	18.5	33.3	167.2	185.4
Closing cash & bank bal.	437.6	551.4	590.9	724.8	743.1

## Important Ratios

Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
Profitability and return ratios (%)					
EBIDTAM	7.8	7.2	5.8	6.3	6.3
EBITM	6.6	6.0	4.7	5.2	5.2
NPM	3.9	3.4	2.5	2.8	2.8
RoE	19.0	15.7	9.6	10.3	10.6
RoCE	16.3	14.3	10.7	11.5	11.8
Per share data (Rs)					
O/s shares (Cr.)	16.4	16.4	16.4	16.4	16.4
EPS	9.6	11.0	9.7	13.0	14.9
FDEPS	9.6	11.0	9.7	13.0	14.9
CEPS	12.4	14.7	13.9	18.0	20.5
BV	57.5	83.0	120.4	132.8	147.7
DPS	1.0	1.5	0.4	0.6	0.7
Valuation ratios (x)					
PE	38.7	33.9	38.5	28.7	25.2
P/BV	6.5	4.5	3.1	2.8	2.5
EV/EBIDTA	21.7	18.9	19.9	15.4	13.7
EV/ Net sales	1.7	1.4	1.2	1.0	0.9
Other key ratios					
D/E (x)	1.2	1.1	0.9	0.9	0.9
Debtors period (days)	4	3	4	4	4
Creditors period (days)	13	13	11	9	10
Inventory period (days)	147	151	166	162	154
Cash conversion cycle (days)	138	141	159	157	147
Du Pont Analysis - RoE					
NPM (%)	3.9	3.4	2.5	2.8	2.8
Asset turnover (x)	15.7	16.1	16.6	18.5	20.3
Equity Multiplier (x)	0.3	0.3	0.2	0.2	0.2
RoE (%)	19.0	15.7	9.6	10.3	10.6

Source: Company, SSL Research

## Recommendation History



## Our recent rising star recommendations and price performance

Sr. No.	Company Name	NSE Symbol	Initiated Date	Initiated Price (Rs)	CMP* (Rs)	Return (%) since initiated date	High Price Since Initiation (Rs)	Return (%) based on High price since initiation	Latest reco. date	Latest Target
1	APL Apollo Tubes Ltd.	APLAPOLLO	25-Apr-23	1,219.0	1,883.0	54.5	1,924.8	57.9	12-May-25	1,946.0
2	Stylam Industries Ltd.	STYLAMIND	27-Apr-23	1,150.0	1,713.2	49.0	2,735.0	137.8	11-Feb-25	2,224.0
3	Star Cement Ltd.	STARCEMENT	05-May-23	123.2	215.0	74.5	256.0	107.8	30-May-25	245.0
4	JK Lakshmi Cement Ltd.	JKLAKSHMI	24-May-23	705.0	828.7	17.5	999.9	41.8	09-Jun-25	926.0
5	Dhanuka Agritech Ltd.	DHANUKA	29-May-23	711.0	1,689.8	137.7	1,925.8	170.9	22-May-25	2,000.0
6	SJS Enterprises Ltd.	SJS	05-Oct-23	680.0	1,192.3	75.3	1,347.0	98.1	14-May-25	1,307.0
7	KPI Green Energy Ltd.	KPIGREEN	17-Nov-23	259.6	514.1	98.0	745.3	187.1	20-May-25	624.0
8	Syrma SGS Technology Ltd.	SYRMA	06-Dec-23	590.0	547.5	-7.2	705.0	19.5	19-May-25	715.0
9	Senco Gold Ltd.	SENCO	11-Dec-23	360.8	373.8	3.6	772.0	114.0	10-Jun-25	431.0
10	Hi-Tech Pipes Ltd.	HITECH	31-Jul-24	149.0	101.9	-31.6	210.9	41.5	05-Jun-25	138.0
11	Aditya Birla Capital Ltd.	ABCAPITAL	22-Aug-24	222.2	240.2	8.1	244.0	9.8	15-May-25	280.0
12	Lumax Auto Technologies Ltd.	LUMAXTECH	27-Dec-24	625.8	982.9	57.1	1,001.8	60.1	04-Jun-25	1,220.0
13	Goodluck India Ltd	GOODLUCK	19-Mar-25	660.0	981.8	48.8	994.9	50.7	27-May-25	1,199.0

\*Closing price of 09<sup>th</sup> June, 2025

## Moved to Soft Coverage

Sr. No.	Company Name	NSE Symbol	Initiated Date	Initiate d Price (Rs)	Close price (Rs)	Return since initiated date (%)	High Price Since Initiation (Rs)	Return based on High price since initiation (%)	Comments
1	Satin Creditcare Network Ltd.	SATIN	10-Jan-24	259.0	198.0	(23.6)	284.0	9.7	Exited on 27 <sup>th</sup> Sep'24 due to Microfinance industry under stress.
2	Zen Technologies Ltd.	ZENTEC	12-Jul-23	520.0	1,473.0	183.3	2,627.0	405.2	Booked profit on 24 <sup>th</sup> Mar, 2025. The stock has run ahead of fundamentals. We will monitor the order inflow outlook in near term to take fresh call on the stock.



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