

BUY

TP: Rs 418 | ▲ 23%

SENCO GOLD

| Retail - Jewellery

| 28 May 2026

Strong demand and inventory gains drive Q4 beat

- Revenue grew 45% YoY; EBITDA margin expanded to 13.7% on strong SSG (+35%), inventory gains and mix improvement
- FY27 revenue growth guided at 18-20% with 7.5-7.8% EBITDA margin and 18-20 annual store additions
- Maintain BUY; roll forward to Mar-28E and revise TP to Rs 418 (earlier Rs 411) at unchanged 20x P/E multiple

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Strong Q4 beat led by robust festive demand and margin expansion: SENCO reported strong Q4FY26 revenue/EBITDA/APAT growth of 45%/116%/151% YoY, ahead of expectations, driven by strong wedding and festive demand, higher gold prices and healthy same-store growth. Consolidated EBITDA margin expanded 446bps YoY to 13.7%, aided by improved gross margins, better operating leverage and favourable inventory gains. Gross margin expanded sharply by 556bps YoY to 22.4%, while APAT margin improved 337bps YoY to 7.9%.

Highlights: Franchisee revenue grew 67% YoY versus 56% growth in COCO stores, reflecting continued expansion in asset-light growth channels. SSG remained robust at 35%, while stud ratio improved to 12% (vs. 11% in Q3FY26), supporting gross margin expansion. The company added five net stores during the quarter taking total showroom count to 201, while net debt increased sequentially to Rs 1.83bn amid inventory build-up and higher gold prices.

Outlook: Management expects demand momentum to remain healthy despite elevated gold prices, supported by wedding demand, old-gold exchange and lightweight jewellery offerings. The company plans to add 18-20 stores annually through a franchise-led expansion strategy, while guiding for FY27 revenue growth of 18-20%, EBITDA margin of 7.5-7.8% and PAT margin of 4-4.5%. Inventory optimisation and working-capital control remain key focus areas amid continued gold-price volatility.

Maintain BUY: We expect SENCO to deliver revenue CAGR of 12.6% over FY26-FY29E and EBITDA margin to range between 6.8-7.3% over FY27E-29E, driven by continued store expansion, franchise-led growth and improving studded jewellery mix. We marginally revise FY27E revenue/EBITDA estimates by 1%/14% and cut FY28E EPS by 12% owing to normalisation in margins from elevated FY26 levels. We roll forward to Mar'28E and retain our unchanged 20x P/E multiple, resulting in a revised TP of Rs 418 (earlier Rs 411). Maintain BUY.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	SENCO IN/Rs 340
Market cap	US\$ 581.8mn
Free float	36%
3M ADV	US\$ 5.7mn
52wk high/low	Rs 405/Rs 276
Promoter/FPI/DII	64%/9%/12%

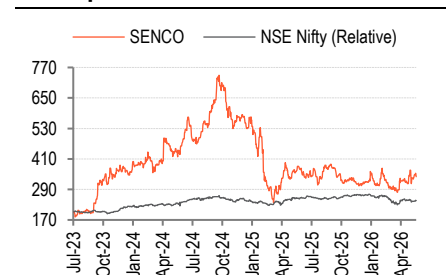
Source: NSE | Price as of 27 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	84,300	91,910	1,03,361
EBITDA (Rs mn)	9,690	6,259	7,479
Adj. net profit (Rs mn)	5,688	2,828	3,420
Adj. EPS (Rs)	34.7	17.3	20.9
Consensus EPS (Rs)	34.7	20.7	25.0
Adj. ROAE (%)	25.4	10.7	11.7
Adj. P/E (x)	9.8	19.7	16.3
EV/EBITDA (x)	7.3	11.6	9.9
Adj. EPS growth (%)	256.7	(50.3)	20.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly performance – Consolidated

Particulars	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)	BOBCAPS Q4FY26E	Variance (%)
Total operating income	19,967	13,777	44.9	30,710	(35.0)	84,300	63,281	33.2	16,735	19.3
Raw-Material expense	15,499	11,465	35.2	24,603	(37.0)	67,621	54,605	23.8	13,890	11.6
Gross Profit	4,468	2,313	93.2	6,107	(26.8)	16,680	8,676	92.3	2,845	57.0
Employee expense	488	357	36.9	534	(8.6)	1,859	1,391	33.7	534	(8.6)
Advertisement expense	261	176	48.1	460	(43.2)	1,551	1,052	47.4	335	(21.9)
Other expense	975	509	91.3	1,067	(8.6)	3,579	2,556	40.0	824	18.3
EBITDA	2,744	1,270	116.0	4,046	(32.2)	9,690	3,676	163.6	1,152	138.1
D&A	232	191	21.1	211	9.8	820	681	20.3	194	19.7
EBIT	2,512	1,079	132.8	3,835	(34.5)	8,870	2,995	196.2	959	162.0
Interest cost	561	375	49.6	590	(4.9)	2,042	1,362	49.9	370	51.5
Non-operating expense/(income)	(134)	(147)	(9.0)	(301)	(55.7)	(799)	(546)	46.4	(300)	(55.5)
PBT	2,085	851	145.1	3,546	(41.2)	7,627	2,179	250.1	889	134.6
Tax	516	226	127.9	906	(43.1)	1,884	585	221.8	224	130.6
Adjusted PAT	1,569	624	151.3	2,640	(40.6)	5,743	1,593	260.5	665	135.9
As % of net revenues			chg (bps)		chg (bps)			chg (bps)		
Gross margin	22.4	16.8	559	19.9	249	19.8	13.7	608		
Employee cost	2.4	2.6	(14)	1.7	71	2.2	2.2	1		
Other cost	4.9	3.7	118	3.5	141	4.2	4.0	21		
EBITDA margin	13.7	9.2	452	13.2	57	11.5	5.8	569		
Tax rate	24.7	26.6	(187)	25.6	(81)	24.7	26.9	(217)		
APAT margin	7.9	4.5	333	8.6	(74)	6.8	2.5	430		

Source: Company, BOBCAPS Research

Fig 2 – Key operating metrics

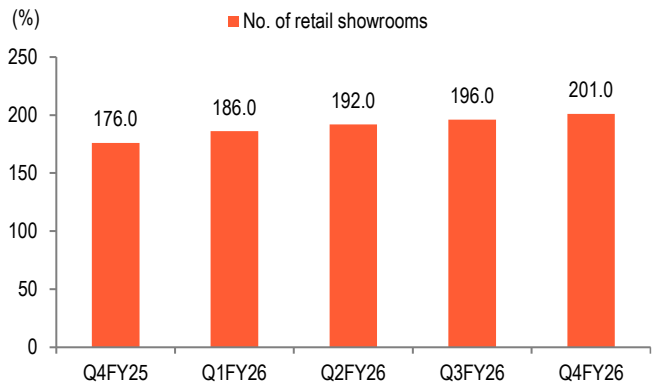
Operating metrics	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
No. of stores (excluding Sennes)								
COCO	104	99	5.1	105	(1.0)	104	99	5.1
Franchise	87	72	20.8	83	4.8	87	72	20.8
Total	191	171	11.7	188	1.6	191	171	11.7
Average revenue per store (Rs mn)								
COCO	129	89	46.0	180	(28.3)	-	-	-
Franchise	87	62	39.6	134	(35.4)	-	-	-
Revenue								
COCO	13,509	8,680	55.6	18,924	(28.6)	53,952	39,867	35.3
Franchise	7,371	4,409	67.2	10,873	(32.2)	30,348	20,250	49.9

Source: Company, BOBCAPS Research

Earnings Call Highlights

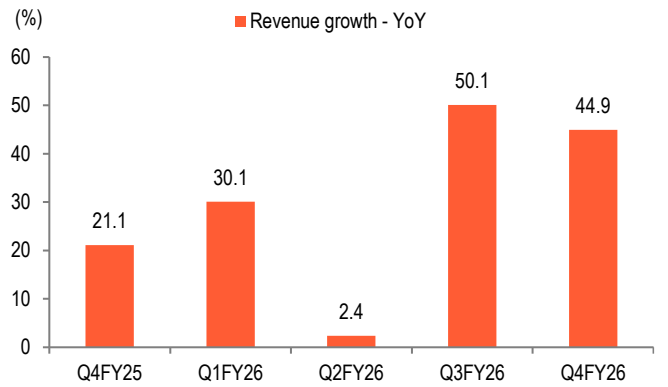
- **Strong demand sustained despite elevated gold prices:** FY26 revenue grew 33% YoY to Rs 84.3bn driven by healthy wedding demand, festive traction and repeat purchases. Management highlighted that lightweight and affordable jewellery continued to support demand amid sharp gold-price volatility.
- **Margins benefited materially from inventory gains:** Management indicated ~250-300bps of FY26 EBITDA margin expansion was driven by gold and silver inventory gains, while favourable mix and higher handmade jewellery share contributed another ~100bps. Despite FY26 EBITDA margin of ~11.5%, FY27 EBITDA margin guidance remains conservative at 7.5-7.8%.
- **Old-gold exchange becoming a structural growth lever:** Old-gold exchange contributed ~50% of FY26 sales versus ~25-30% three-four years ago, reflecting rising consumer preference for exchange-led purchases amid elevated gold prices. The company also continues to focus on lightweight and lower-karat jewellery (9K/14K/18K) to improve affordability and customer acquisition.
- **Lightweight and lower-karat jewellery remain key growth drivers:** Management continues to focus on lightweight jewellery and lower-karat products (9K/14K/18K) to maintain affordability amid elevated gold prices. The company highlighted increasing consumer preference for lighter products across both daily wear and wedding jewellery categories.
- **Diamond mix improving gradually:** Diamond jewellery value growth stood at 32% YoY supported by improving stud ratio and higher conversion of old-gold exchange into diamond purchases. Management continues to focus on increasing handmade jewellery mix to support margins.
- **Expansion strategy remains franchise-led:** Management plans to add 18-20 stores annually with increasing focus on franchise expansion across Tier-2/3/4 markets. East India and Bengal continue to remain the key growth regions, while traction across Bihar and UP is improving gradually.
- **Inventory and working capital remain the key monitorable:** Inventory increased 61% YoY to Rs 52.9bn with inventory days rising to ~186-188 days due to higher gold prices, new-store stocking and inventory build-up ahead of Akshaya Tritiya. Management reiterated its long-term target of reducing inventory days toward ~150-160 days.
- **Hedging and customs duty gains remain near-term earnings drivers:** Management indicated only ~40-50% of exposure is currently hedged despite higher permissible limits. The recent customs duty increase from 6% to 15% is expected to support inventory gains over Q1-Q2FY27.
- **Guidance remains conservative despite strong momentum:** Management guided for FY27 revenue growth of 18-20% and PAT margin of 4-4.5%, while reiterating its focus on balancing growth and profitability amid elevated competitive intensity and gold-price volatility.

Fig 3 – Senco opened 5 stores in Q4FY26



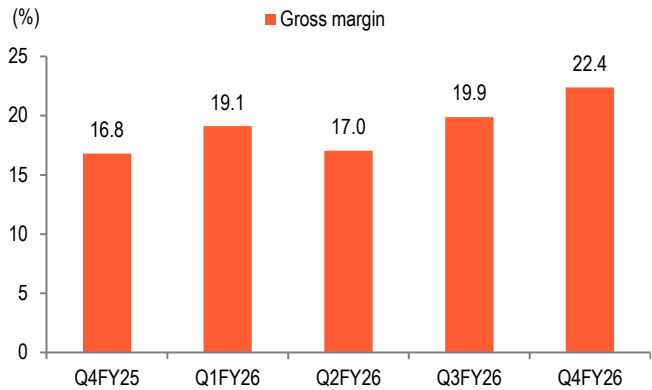
Source: Company, BOBCAPS Research

Fig 4 – Revenue spiked by 50% YoY in Q4FY26



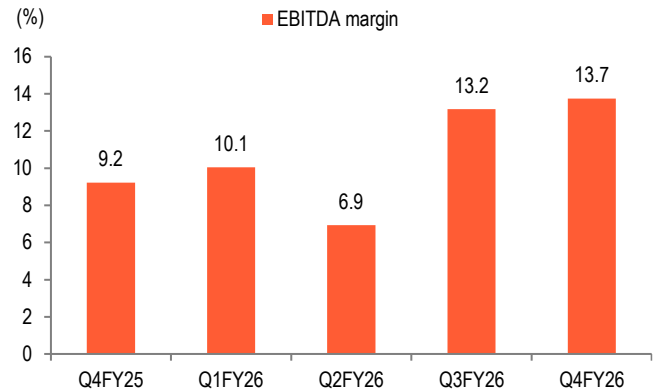
Source: Company, BOBCAPS Research

Fig 5 – Gross margin improved to a record high level (since IPO) for March quarter period in Q4FY26



Source: Company, BOBCAPS Research

Fig 6 – Adjusted EBITDA margin improved by 452bps to 13.7% in Q4FY26



Source: Company, BOBCAPS Research

Valuation Methodology

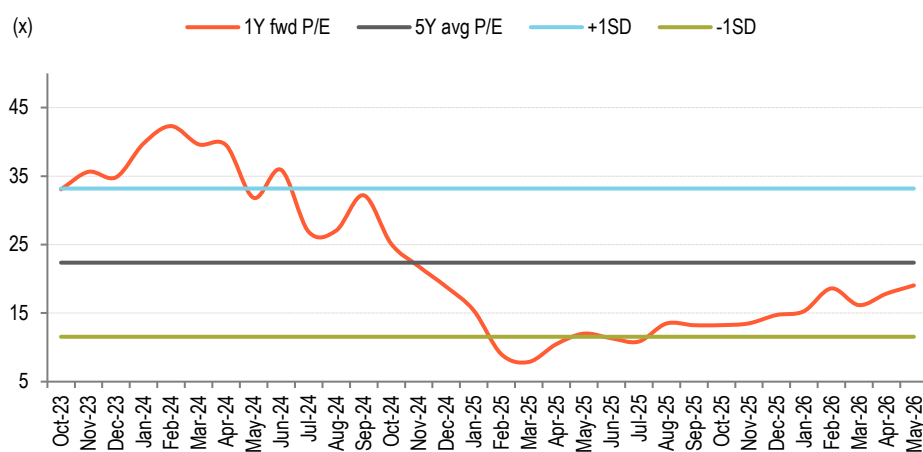
We expect SENCO to deliver revenue CAGR of 12.6% over FY26-FY29E and EBITDA margin to range between 6.8-7.3% over FY27E-29E, driven by continued store expansion, franchise-led growth and improving studded jewellery mix. We marginally revise FY27E revenue/EBITDA estimates by 1%/14% and cut FY28E EPS by 12% owing to normalisation in margins from elevated FY26 levels. We roll forward to Mar'28E and retain our unchanged 20x P/E multiple, resulting in a revised TP of Rs 418 (earlier Rs 411). Maintain BUY.

Fig 7 – Revised estimates

Consolidated (Rs bn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	91.9	103.4	120.3	91.2	102.2	NA	0.8	1.1	NA
EBITDA	6.3	7.5	8.8	5.5	7.0	NA	13.8	6.8	NA
EBITDA Margin (%)	6.8	7.2	7.3	6.0	6.8	NA	78	39	NA
Adjusted PAT	2.8	3.4	3.7	2.8	3.9	NA	1.0	(12.3)	NA
EPS (Rs)	17.3	20.9	22.8	17.1	23.8	NA	1.0	(12.3)	NA

Source: BOBCAPS Research

Fig 8 – Senco stock trades at 19.0x on 1YF P/E vs average of 22.4x since IPO



Source: Bloomberg, BOBCAPS Research

Fig 9 – Key assumptions

Particulars	FY25	FY26	FY27E	FY28E	FY28E
No. of stores					
COCO	98	103	110	118	126
Franchise	72	87	89	95	101
International	1	1	1	1	1
Total (excl Sennes)	171	191	200	214	228
Revenue per store (Rs mn)					
COCO	407	554	543	570	593
Franchise	281	358	361	379	391
Franchise revenue share (%)	32.0	36.9	35.0	34.9	32.8
Revenue (Rs bn)	52.4	63.3	84.3	91.9	103.4
EBITDA margin (%)	5.8	11.5	6.8	7.2	7.3
PAT margin (%)	2.5	6.7	3.1	3.3	3.1
Inventory (days)	190	229	200	200	200
Net debt/EBITDA (x)	3.2	1.9	2.5	2.9	3.3
ROCE (%)	9.5	19.9	11.2	11.8	11.9

Source: Company, BOBCAPS Research

Key Risks

Key upside/downside risks to our estimates:

- Loss of market share due to steep rise in competitive intensity in its core West Bengal market, steep increase in gold-price volatility and regulatory risks - are key downside risks.
- Faster-than-expected pace of new store addition and ramp-up, along with sharp increase in franchise revenue share, are key upside risks.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	63,281	84,300	91,910	1,03,361	1,20,262
EBITDA	3,676	9,690	6,259	7,479	8,837
Depreciation	681	820	1,112	1,344	1,761
EBIT	2,995	8,870	5,148	6,135	7,076
Net interest inc./(exp.)	(1,362)	(2,042)	(2,207)	(2,445)	(3,012)
Other inc./(exp.)	546	799	839	881	925
Exceptional items	0	0	0	0	0
EBT	2,179	7,627	3,780	4,571	4,989
Income taxes	586	1,884	951	1,150	1,256
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	1,593	5,743	2,828	3,420	3,733
Adjustments	0	(56)	0	0	0
Adjusted net profit	1,593	5,688	2,828	3,420	3,733

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	1,516	6,786	7,398	8,320	9,680
Other current liabilities	5,865	11,720	11,720	11,720	11,720
Provisions	49	72	72	72	72
Debt funds	17,690	23,460	25,577	28,762	33,464
Other liabilities	2,640	3,441	3,441	3,441	3,441
Equity capital	818	819	819	819	819
Reserves & surplus	18,885	24,318	26,819	29,829	33,153
Shareholders' fund	19,703	25,137	27,638	30,648	33,972
Total liab. and equities	47,464	70,615	75,845	82,964	92,349
Cash and cash eq.	5,909	5,166	9,731	7,440	4,702
Accounts receivables	810	2,247	2,450	2,755	3,206
Inventories	32,993	52,961	50,361	56,636	65,897
Other current assets	2,780	4,403	4,403	4,403	4,403
Investments	0	0	0	0	0
Net fixed assets	1,376	4,729	7,791	10,620	13,033
CWIP	20	21	21	21	21
Intangible assets	2,670	25	25	25	25
Deferred tax assets, net	418	728	728	728	728
Other assets	487	335	335	335	335
Total assets	47,464	70,615	75,845	82,964	92,349

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	(4,864)	(3,430)	8,317	670	(769)
Capital expenditures	(1,113)	(1,528)	(4,174)	(4,174)	(4,174)
Change in investments	0	(1)	0	0	0
Other investing cash flows	546	799	839	881	925
Cash flow from investing	(567)	(730)	(3,335)	(3,293)	(3,249)
Equities issued/Others	31	1	0	0	0
Debt raised/repaid	2,734	5,769	2,117	3,186	4,702
Interest expenses	(1,362)	(2,042)	(2,207)	(2,445)	(3,012)
Dividends paid	(164)	(164)	(328)	(410)	(410)
Other financing cash flows	4,587	(146)	0	0	0
Cash flow from financing	5,827	3,418	(417)	331	1,280
Chg in cash & cash eq.	395	(742)	4,565	(2,292)	(2,738)
Closing cash & cash eq.	5,909	5,166	9,731	7,440	4,702

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	9.7	35.1	17.3	20.9	22.8
Adjusted EPS	9.7	34.7	17.3	20.9	22.8
Dividend per share	1.0	1.0	2.0	2.5	2.5
Book value per share	120.4	153.5	168.7	187.1	207.4

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	1.0	0.8	0.8	0.7	0.7
EV/EBITDA	18.0	7.3	11.6	9.9	9.1
Adjusted P/E	34.9	9.8	19.7	16.3	14.9
P/BV	2.8	2.2	2.0	1.8	1.6

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	73.1	74.6	74.8	74.8	74.8
Interest burden (PBT/EBIT)	72.7	86.0	73.4	74.5	70.5
EBIT margin (EBIT/Revenue)	4.7	10.5	5.6	5.9	5.9
Asset turnover (Rev./Avg TA)	133.3	119.4	121.2	124.6	130.2
Leverage (Avg TA/Avg Equity)	2.4	2.8	2.7	2.7	2.7
Adjusted ROAE	8.1	22.6	10.2	11.2	11.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	20.7	33.2	9.0	12.5	16.4
EBITDA	(2.1)	163.6	(35.4)	19.5	18.2
Adjusted EPS	(10.0)	256.7	(50.3)	20.9	9.1
Profitability & Return ratios (%)					
EBITDA margin	5.8	11.5	6.8	7.2	7.3
EBIT margin	4.7	10.5	5.6	5.9	5.9
Adjusted profit margin	2.5	6.7	3.1	3.3	3.1
Adjusted ROAE	9.6	25.4	10.7	11.7	11.6
ROCE	9.5	19.9	11.2	11.8	11.9
Working capital days (days)					
Receivables	5	10	10	10	10
Inventory	190	229	200	200	200
Payables	9	29	29	29	29
Ratios (x)					
Gross asset turnover	22.7	16.6	9.9	7.7	6.8
Current ratio	1.7	1.5	1.5	1.5	1.4
Net interest coverage ratio	2.2	4.3	2.3	2.5	2.3
Adjusted debt/equity	0.6	0.7	0.6	0.7	0.8

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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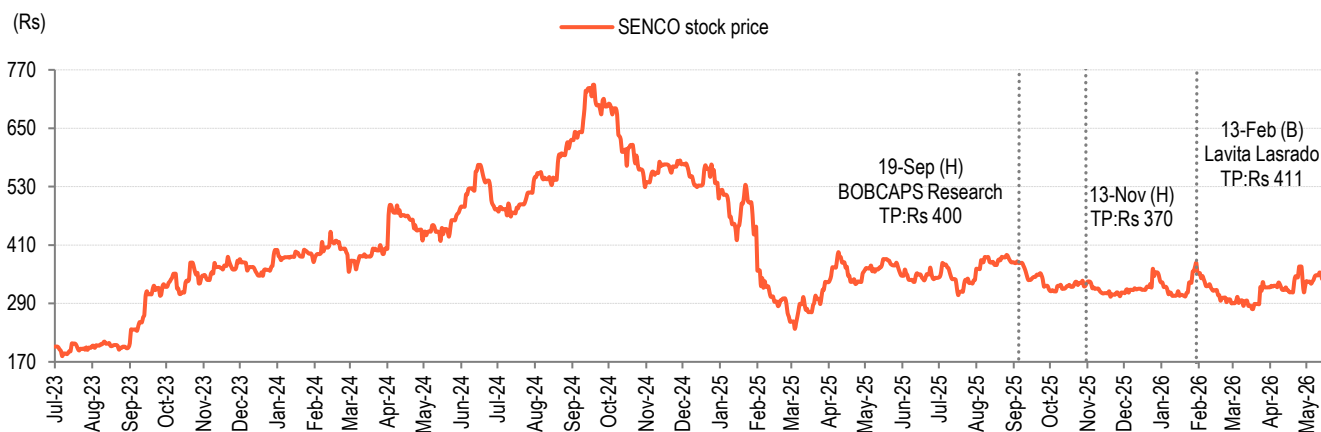
Recommendation scale: Recommendations and Absolute returns (%) over 12 months

- BUY** – Expected return >+15%
- HOLD** – Expected return from -6% to +15%
- SELL** – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): SENCOR GOLD (SENCOR IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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