

BUY
 TP: Rs 490 | ▲ 15%

KALYAN JEWELLERS

Retail - Jewellery

09 May 2026

Strong wedding demand drives another robust quarter

- Robust wedding demand and outperformance in non-south markets drive 66% of growth in revenues
- FOCO mix crosses 50%; operating leverage offsets gross-margin pressure
- Operating leverage to support profitability; maintain BUY; assign 35x Mar’28 P/E to arrive at TP of Rs 490 per share

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Strong Q4 on wedding demand and network expansion: KALYANKJ reported a revenue growth of 66% YoY (vs +2% est.), driven by healthy wedding demand and strong SSG (47%). Non-South markets continued to outperform with SSG of 62% (vs South: 29%). EBITDA grew 84% YoY (+8% vs est.), with EBITDA margin expanding 70bps YoY to 7.2%, on the back of operating leverage, despite a higher franchise mix. Consequently, APAT more than doubled to Rs 4.1 bn (+118% YoY) — broadly in line with estimates.

FOCO-led expansion continues; Candere profitability improves sharply: KALYANKJ added 39 stores during Q4FY26, taking the consolidated store count to 507 (+31% YoY); led by FOCO expansion across India and Candere. India FOCO revenue grew 116% YoY, with franchise contribution increasing to 54% of India sales (vs 42% YoY), although higher franchise mix continued to weigh on gross margins. Middle East revenue grew 37% YoY, with stable EBITDA margin of 7.3%. Candere revenue rose 369% YoY, aided by a rapid offline expansion and an improving operating leverage.

Outlook & Key Takeaways: Management highlighted healthy demand trends despite the elevated gold prices, supported by wedding demand and continued market-share gains in non-south markets. Management reiterated that India PBT margins of ~5.5-5.6% are broadly sustainable, despite the higher franchise mix, while FOCO-led expansion continues to support capital-efficient growth. Management also indicated that further reduction in non-GML debt should support lower interest costs going forward.

Maintain BUY; TP revised to Rs 490: We believe KALYANKJ remains well positioned to benefit from the continued expansion in non-south markets, ongoing formalisation in the jewellery industry and its FOCO-led expansion strategy. While rising franchise mix is expected to structurally dilute gross margins, operating leverage on a growing revenue base should support steady EBITDA margin expansion over the medium term. We maintain BUY, valuing the stock at 35x Mar’28 P/E with a revised TP of Rs 490 (Rs 487 earlier), implying 15% upside.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	KALYANKJ IN/Rs 425
Market cap	US\$ 4.6bn
Free float	37%
3M ADV	US\$ 27.3mn
52wk high/low	Rs 618/Rs 348
Promoter/FPI/DII	63%/14%/15%

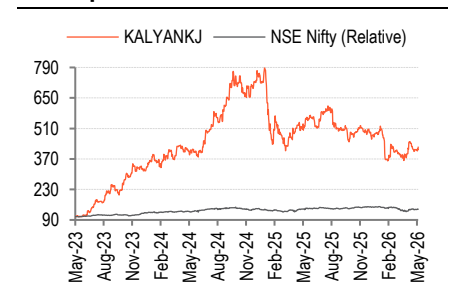
Source: NSE | Price as of 8 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	3,57,429	4,14,559	4,67,542
EBITDA (Rs mn)	24,912	26,736	30,571
Adj. net profit (Rs mn)	13,815	14,460	16,273
Adj. EPS (Rs)	13.4	14.0	15.8
Consensus EPS (Rs)	13.4	15.7	18.9
Adj. ROAE (%)	24.9	21.0	20.0
Adj. P/E (x)	31.7	30.3	26.9
EV/EBITDA (x)	18.7	17.2	14.8
Adj. EPS growth (%)	93.0	4.7	12.5

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	1,02,749	61,815	66.2	1,03,434	(0.7)	72,685	2,50,694	(71.0)	1,01,012	1.7
Raw-Material expense	89,531	53,314	67.9	89,857	(0.4)	62,603	2,17,608	(71.2)	87,310	2.5
Gross Profit	13,219	8,501	55.5	13,577	(2.6)	10,081	33,086	(69.5)	13,702	(3.5)
Employee expense	2,657	2,035	30.5	2,471	7.5	2,096	7,384	(71.6)	2,929	(9.3)
Advertisement expense	1,327	1,063	24.8	1,788	(25.8)	1,038	4,734	(78.1)	1,550	(14.4)
Other expense	1,878	1,408	33.3	1,814	3.5	1,868	5,553	(66.4)	2,413	(22.2)
EBITDA	7,357	3,994	84.2	7,505	(2.0)	5,080	15,415	(67.0)	6,809	8.0
D&A	1,131	933	21.1	1,089	3.8	977	3,427	(71.5)	927	21.9
EBIT	6,226	3,061	103.4	6,416	(3.0)	4,103	11,988	(65.8)	5,882	5.9
Interest cost	1,300	963	35.0	1,043	24.6	1,036	3,595	(71.2)	1,093	18.9
Non-operating expense/(income)	(462)	(408)	13.1	(227)	103.5	(463)	(1,203)	(61.5)	(642)	(28.1)
PBT	5,388	2,506	115.0	5,599	(3.8)	3,530	9,596	(63.2)	5,430	(0.8)
Tax	1,293	630	105.3	1,436	(10.0)	889	2,454	(63.8)	1,367	(5.4)
Reported PAT	4,095	1,876	118.3	4,163	(1.6)	2,641	7,142	(63.0)	4,064	0.8
Adjusted PAT	4,095	1,876	118.3	4,472	(8.4)	264	714	(63.0)	4,064	0.8
As % of net revenues			chg (bps)		chg (bps)			chg (bps)		
Gross margin	12.9	13.8	(89)	13.1	(26)	13.9	13.2	67		
Employee cost	2.6	3.3	(71)	2.4	20	2.9	2.9	(6)		
Other cost	1.8	2.3	(45)	1.8	7	2.6	2.2	35		
EBITDA margin	7.2	6.5	70	7.3	(10)	7.0	6.1	84		
Tax rate	24.0	25.1	(114)	25.7	(165)	25.2	25.6	(39)		
APAT margin	4.0	3.0	95	4.3	(34)	0.4	0.3	8		

Source: Company, BOBCAPS Research

Fig 2 – Segment financials

Operating Metrics	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
No. of stores								
India	342	278	23.0	318	7.5	-	-	-
- COCO	120	126	(4.8)	123	(2.4)	-	-	-
- FOCO	222	152	46.1	195	13.8	-	-	-
Middle East	38	36	5.6	38	-	-	-	-
- COCO	34	32	6.3	34	-	-	-	-
- FOCO	4	4	-	4	-	-	-	-
Candere	124	73	69.9	110	12.7	-	-	-
- COCO	54	36	50.0	42	28.6	-	-	-
- FOCO	70	37	89.2	68	2.9	-	-	-
US/UK	3	1	200.0	2	50.0	-	-	-
Total	507	388	30.7	468	8.3	-	-	-
Average revenue per store (Rs mn)								
Indian	273	202	35.2	293	(6.9)	214	884	(75.8)
Middle East	283	218	29.6	282	0.1	285	897	(68.2)
Candere	11	4	164.5	13	(14.4)	8	34	(76.1)
Revenue (Rs mn)								
Indian	89,943	53,504	68.1	90,477	(0.6)	61,422	2,16,386	(71.6)
Middle East	10,736	7,845	36.9	10,726	0.1	10,265	32,303	(68.2)
Candere	1,313	280	368.9	1,350	(2.7)	660	1,638	(59.7)
Others (excluding Candere)	757	186	306.5	881	(14.0)	338	367	(7.9)
Total	1,02,749	61,815	66.2	1,03,434	(0.7)	72,685	2,50,694	(71.0)

Operating Metrics	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
EBITDA (Rs mn)								
Indian	6,042	3,435	75.9	6,538	(7.6)	4,342	12,795	(66.1)
Middle East	787	587	34.1	756	4.1	728	2,419	(69.9)
Others (including Candere)	528	(28)	(1,986.0)	211	150.4	10	201	(94.9)
Total	7,357	3,994	84.2	7,505	(2.0)	5,080	15,415	(67.0)
EBITDA margin (%)								
Indian	6.7	6.4	30	7.2	(51)	7.1	5.9	116
Middle East	7.3	7.5	(15)	7.0	28	7.1	7.5	(40)
Others (including Candere)	25.5	(6.0)	3150	9.4	1605	1.0	10.0	(900)
Total	7.2	6.5	70	7.3	(10)	7.0	6.1	84

Source: Company, BOBCAPS Research

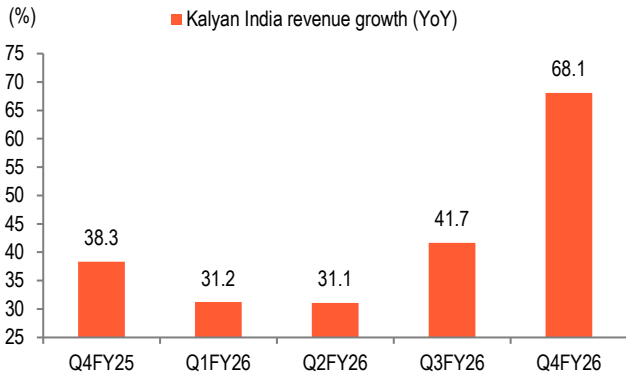
Earnings Call Highlights

- Demand trends remain healthy despite elevated gold prices:** Management indicated that customer purchases remain value-led rather than being volume-led, with higher gold prices impacting grammage more than the ticket size. The company continues to push lightweight jewellery, 18k/14k products and higher studded mix to support the affordability. Management highlighted a healthy Akshaya Tiritiya demand and indicated that Q1FY27 trends remain stable so far.
- Non-South continues to outperform South:** Management highlighted that the non-South SSG continued to materially outperform South India during Q4FY26. The continued outperformance was attributed to the ongoing market-share gains and lower organised penetration in newer markets. The growth in South India stayed healthy, albeit on a relatively higher base.
- Margins supported by operating leverage; franchise mix remains a drag on gross margin:** India PBT margin for FY26 stood at ~5.5-5.6%, which management indicated is broadly sustainable. FY26 gross margin also benefited from the favourable silver/platinum mix and procurement changes, which management indicated may not fully sustain. Rising franchise mix continues to structurally dilute gross margin by ~100bps.
- FOCO-led expansion continues to support capital efficiency:** Store expansion remained predominantly franchise-led, with 129 stores added during FY26, across Kalyan and Candere. Management plans addition of ~150 stores in FY27 across Kalyan, Candere and the new regional format, including ~84 India FOCO stores, ~50 Candere stores and ~6 international COCO-FOCO stores, while incremental capital intensity remains relatively lower under the FOCO/hybrid model.
- Candere growth remains strong; focus shifting towards productivity:** Candere revenue grew ~160% in FY26, while Q4FY26 PAT turned positive vs the losses in the base quarter. Management highlighted that studded jewellery makes for >70% of the sales mix and indicated that focus in FY27 will increasingly shift towards improving same-store productivity, alongside continued expansion.
- Middle East operations stable; franchise discussions ongoing:** Middle East revenue grew 37% YoY to ~Rs 10.7bn in Q4FY26, while profitability remained stable. Management indicated that discussions with regional investors regarding

franchise-led expansion are ongoing, although no financial assumptions or timelines were provided.

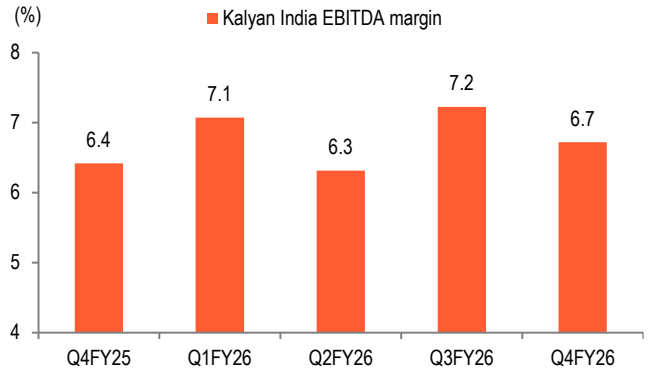
- **Balance sheet continues to improve:** India non-GML debt declined from ~Rs 13bn to ~Rs 3bn over the last three years, with ~Rs 3.6bn repaid during FY26. Management indicated that the non-GML debt could be reduced further during FY27, which may support lower interest costs going forward.

Fig 3 – Kalyan’s Indian operations revenue grew by 68.1% YoY (SSG: 47%) in Q4FY26



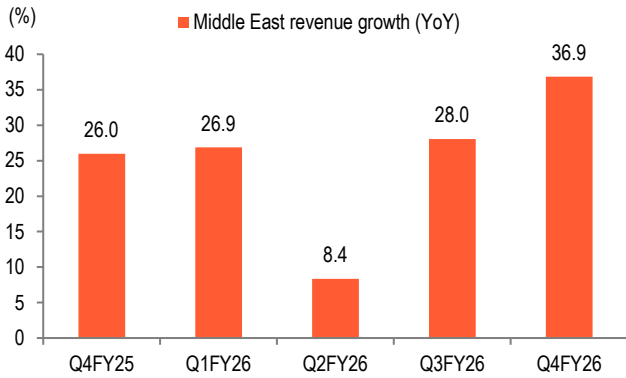
Source: Company, BOBCAPS Research

Fig 4 – Kalyan’s Indian operations EBITDA margin remained flat YoY in Q4FY26



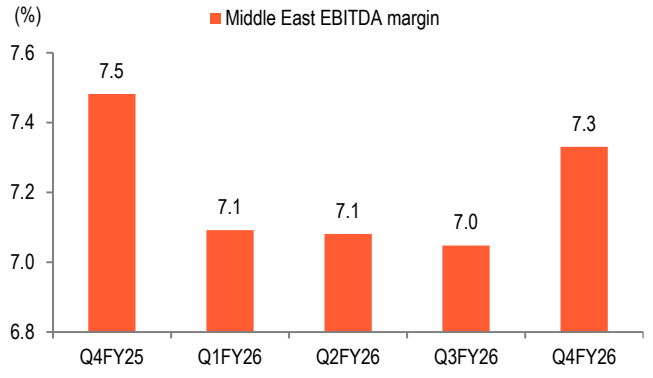
Source: Company, BOBCAPS Research

Fig 5 – Middle East operations revenue rose by 36.9% YoY in Q4FY26



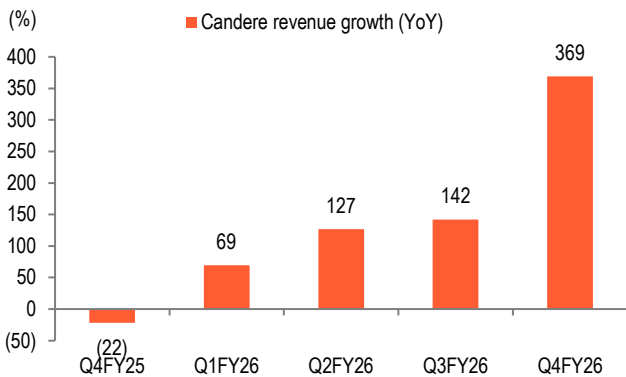
Source: Company, BOBCAPS Research

Fig 6 – Middle East operations EBITDA margin fell by 15bps YoY to 7.3% in Q4FY26



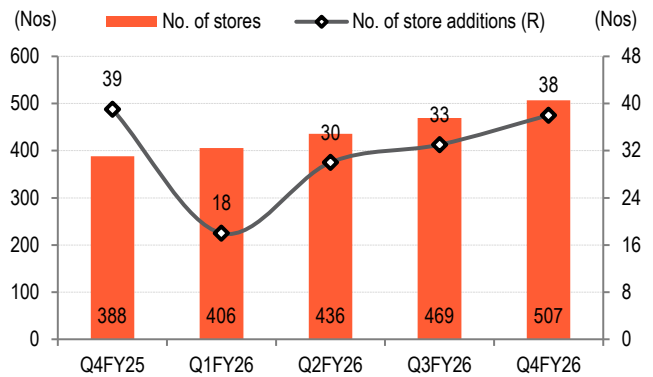
Source: Company, BOBCAPS Research

Fig 7 – Candere revenue grew sharply by 336% YoY in Q4FY26



Source: Company, BOBCAPS Research

Fig 8 – The company added 38 stores in Q4FY26, taking the total to 507



Source: Company, BOBCAPS Research

Valuation Methodology

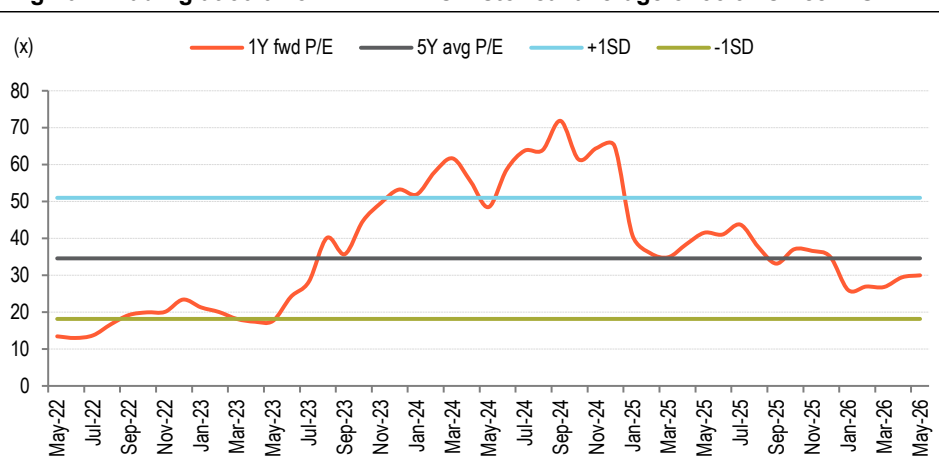
We believe KALYANKJ remains well positioned to benefit from the continued expansion in non-south markets, ongoing formalisation in the jewellery industry and its FOCO-led expansion strategy. While rising franchise mix is expected to structurally dilute gross margins, operating leverage on a growing revenue base should support steady EBITDA margin expansion over the medium term. We maintain BUY, valuing the stock at 35x Mar'28 P/E with a revised TP of Rs 490 (Rs 487 earlier), implying 15% upside.

Fig 9 – Revised estimates

Consolidated (Rs bn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	414.6	467.5	534.3	423.6	489.7	NA	(2.1)	(4.5)	NA
EBITDA	26.7	30.6	35.1	30.2	36.0	NA	(11.5)	(15.1)	NA
EBITDA Margin (%)	6.4	6.5	6.6	7.1	7.4	NA	(68)	(81)	NA
Adjusted PAT	14.5	16.3	18.4	17.5	20.8	NA	(17.4)	(21.8)	NA
EPS (Rs)	14.0	15.8	17.9	17.0	20.2	NA	(17.4)	(21.8)	NA

Source: BOBCAPS Research

Fig 10 – Trading at 30.0x on 1YF P/E vs historical average of 33.9x since IPO



Source: Bloomberg, BOBCAPS Research

Fig 11 – Key assumptions

Particulars	FY25	FY26	FY27E	FY28E	FY29E
No. of stores					
India	278	342	352	383	417
- COCO	126	120	126	139	152
- FOCO	152	222	226	245	264
Middle East	36	38	42	46	50
- COCO	32	34	34	34	34
- FOCO	4	4	8	12	16
Candere	73	124	225	231	236
- COCO	36	54	112	116	121
- FOCO	37	70	113	114	115
Total	387	504	619	660	703
- COCO	194	208	272	289	308
- FOCO	193	296	347	371	395
Revenue (Rs bn)	250	357	415	468	534
- India	216	310	365	410	470
- Middle East	32	40	45	51	58
- Candere	2	4	5	6	6
Average revenue per store (Rs mn)					
- India	778	907	1034	1070	1128
- Middle East	897	1063	1075	1115	1155
- Candere	22	34	22	27	27
EBITDA Margin (%)	6.1	7.0	6.4	6.5	6.6
- India	5.9	6.8	6.2	6.3	6.3
- Middle East	7.6	7.1	4.9	4.7	4.8
- Candere	(4.1)	18.5	40.2	40.2	40.2
PAT Margin (%)	2.9	3.9	3.5	3.5	3.5
Inventory days	141	145	110	116	120
Franchise revenue share for Indian operations (%)	36.0	49.8	55.3	54.7	54.3
ROCE (%)	22.9	33.3	28.8	27.8	27.3
Net Debt/EBITDA (x)	1.49	1.30	0.35	0.65	0.91

Source: Company, BOBCAPS Research

Key Risks

Key upside/downside risks to our estimates:

- Steep increase in gold price volatility, regulatory risks and slower-than-expected rollout of new stores or an early termination of franchisee stores — would be the key downside risks.
- Market-share gain in Kalyan's Indian operations would be a key upside risk.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	2,50,451	3,57,429	4,14,559	4,67,542	5,34,324
EBITDA	15,172	24,912	26,736	30,571	35,081
Depreciation	3,427	4,229	5,263	6,305	7,347
EBIT	11,745	20,683	21,474	24,266	27,734
Net interest inc./(exp.)	(3,595)	(4,329)	(3,996)	(4,566)	(5,532)
Other inc./(exp.)	1,446	2,080	1,846	2,046	2,446
Exceptional items	0	0	0	0	0
EBT	9,596	18,435	19,324	21,747	24,649
Income taxes	2,454	4,516	4,864	5,474	6,204
Extraordinary items	0	415	0	0	0
Min. int./Inc. from assoc.	6	0	0	0	0
Reported net profit	7,148	13,504	14,460	16,273	18,445
Adjustments	0	311	0	0	0
Adjusted net profit	7,148	13,815	14,460	16,273	18,445

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	23,503	33,597	31,174	31,642	32,546
Other current liabilities	31,315	50,130	50,130	50,130	50,130
Provisions	356	836	836	836	836
Debt funds	32,933	41,114	47,686	53,780	61,462
Other liabilities	15,117	18,402	18,402	18,402	18,402
Equity capital	10,314	10,327	10,327	10,327	10,327
Reserves & surplus	37,721	52,760	64,455	77,617	92,535
Shareholders' fund	48,036	63,087	74,783	87,944	1,02,863
Total liab. and equities	1,51,259	2,07,166	2,23,010	2,42,735	2,66,238
Cash and cash eq.	10,311	8,609	38,338	33,991	29,641
Accounts receivables	3,999	8,665	10,051	11,335	12,954
Inventories	96,811	1,41,746	1,25,487	1,48,328	1,75,658
Other current assets	2,872	4,287	4,287	4,287	4,287
Investments	0	0	0	0	0
Net fixed assets	13,056	14,979	15,968	15,914	14,818
CWIP	77	177	177	177	177
Intangible assets	14,795	17,525	17,525	17,525	17,525
Deferred tax assets, net	1,125	1,938	1,938	1,938	1,938
Other assets	8,213	9,241	9,241	9,241	9,241
Total assets	1,51,259	2,07,166	2,23,010	2,42,735	2,66,238

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	12,428	217	34,323	1,440	831
Capital expenditures	(8,488)	(8,981)	(6,251)	(6,251)	(6,251)
Change in investments	(9)	(2)	0	0	0
Other investing cash flows	1,446	1,665	1,846	2,046	2,446
Cash flow from investing	(7,050)	(7,318)	(4,405)	(4,205)	(3,805)
Equities issued/Others	14	13	0	0	0
Debt raised/repaid	(240)	8,181	6,572	6,095	7,682
Interest expenses	(3,595)	(4,329)	(3,996)	(4,566)	(5,532)
Dividends paid	(1,547)	(2,582)	(2,765)	(3,111)	(3,526)
Other financing cash flows	550	4,116	0	0	0
Cash flow from financing	(4,818)	5,400	(189)	(1,583)	(1,376)
Chg in cash & cash eq.	560	(1,702)	29,729	(4,348)	(4,350)
Closing cash & cash eq.	10,311	8,609	38,338	33,991	29,641

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	6.9	13.1	14.0	15.8	17.9
Adjusted EPS	6.9	13.4	14.0	15.8	17.9
Dividend per share	1.5	2.5	2.7	3.0	3.4
Book value per share	46.6	61.1	72.4	85.2	99.6

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	1.8	1.3	1.1	1.0	0.9
EV/EBITDA	30.4	18.7	17.2	14.8	13.2
Adjusted P/E	61.3	31.7	30.3	26.9	23.8
P/BV	9.1	6.9	5.9	5.0	4.3

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.5	74.9	74.8	74.8	74.8
Interest burden (PBT/EBIT)	81.7	89.1	90.0	89.6	88.9
EBIT margin (EBIT/Revenue)	4.7	5.8	5.2	5.2	5.2
Asset turnover (Rev./Avg TA)	165.6	172.5	185.9	192.6	200.7
Leverage (Avg TA/Avg Equity)	3.1	3.3	3.0	2.8	2.6
Adjusted ROAE	14.9	21.9	19.3	18.5	17.9

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	35.0	42.7	16.0	12.8	14.3
EBITDA	15.6	64.2	7.3	14.3	14.8
Adjusted EPS	19.5	93.0	4.7	12.5	13.3
Profitability & Return ratios (%)					
EBITDA margin	6.1	7.0	6.4	6.5	6.6
EBIT margin	4.7	5.8	5.2	5.2	5.2
Adjusted profit margin	2.9	3.9	3.5	3.5	3.5
Adjusted ROAE	15.9	24.9	21.0	20.0	19.3
ROCE	16.3	21.8	19.0	18.6	18.4
Working capital days (days)					
Receivables	6	9	9	9	9
Inventory	141	145	110	116	120
Payables	34	34	27	25	22
Ratios (x)					
Gross asset turnover	12.2	14.1	13.1	12.4	12.1
Current ratio	1.8	1.8	2.0	2.2	2.4
Net interest coverage ratio	3.3	4.8	5.4	5.3	5.0
Adjusted debt/equity	0.5	0.5	0.1	0.2	0.3

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

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For any queries or grievances, you may contact the Grievance Officer.

Name of the Grievance Officer: Mr. Manoj Pawar

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Brand Name: **BOBCAPS**

Website: <https://www.bobcaps.in/>

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

BUY – Expected return >+15%

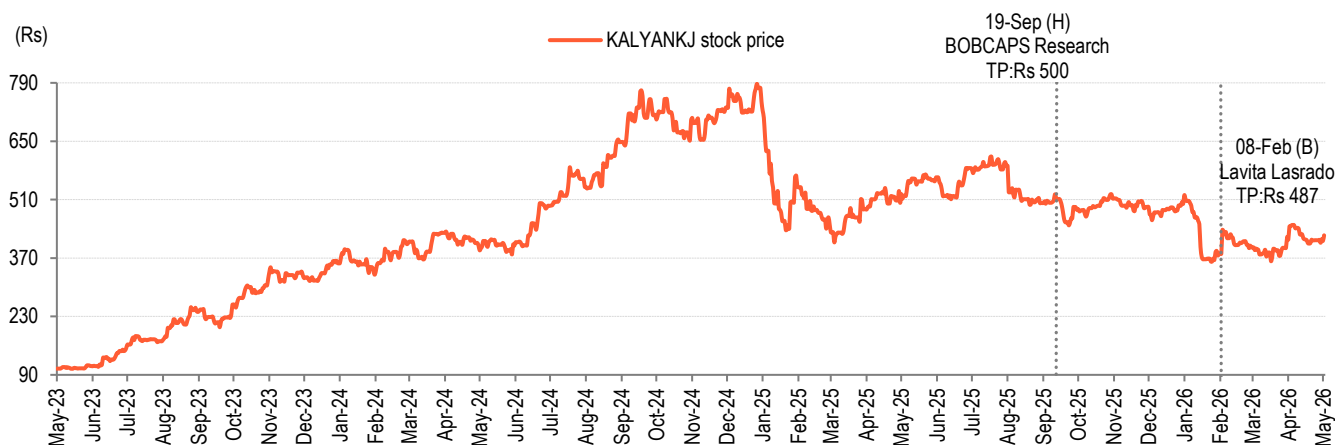
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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Ratings and Target Price (3-year history): KALYAN JEWELLERS (KALYANKJ IN)



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

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