Arihant Capital
Generating Wealth

Q1FY27 Result Update
6th Aug 2026

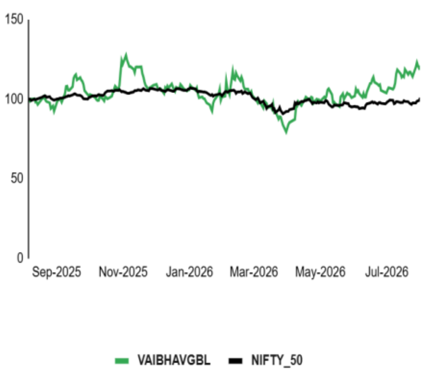
Vaibhav Global Ltd

CMP: INR 250	
Rating: BUY	
TP: INR 403	
Stock Info	
BSE	532156
NSE	VAIBHAVGBL
Bloomberg	VGM:IN
Reuters	vaib.ns
Sector	Gems, Jewellery And Watches
Face Value (INR)	2
Equity Capital (INR cr)	33.46
Mkt Cap (INR cr)	4,182
52w H/L (INR)	293/174
Avg Yearly Volume (in 000')	605

Shareholding Pattern % *(As on June 2026)*	
Promoters	57.33
FII	16.66
DII	2.22
Public & Others	23.79

Stock Performance (%)	1m	6m	12m
Vaibhav Global	6.84	10.4	13.5
Nifty 50	0.8	(4.16)	0.21

Vaibhav Global Vs Nifty 50



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Vaibhav Global reported a strong Q1 FY27 performance, with consolidated revenue rising 12.7% YoY to INR 9,170.7 Mn (down 1.9% QoQ), ahead of our estimate of INR 8,951 Mn. EBITDA surged 57.2% YoY to INR 967.3 Mn (+16.0% QoQ), while EBITDA margin expanded 299 bps YoY to 10.55%, both exceeding expectations. PAT increased 49.8% YoY to INR 563.8 Mn, driven by favorable foreign exchange, US tariff refunds, and disciplined cost management, despite a sequential decline of 38.1%, also beating our estimate. Operationally, in-house brands contributed 57.2% of B2C revenue, achieving the company's 50% target a year ahead of schedule, while digital revenue grew 21% YoY to INR 398 crore. The company now reaches over 127 million households globally through TV, digital apps, OTT, and social retail channels, with the US contributing 60% of B2C revenue, followed by the UK (28%) and Europe (12%).

Accelerated Digital-First Transformation: The company is successfully transitioning into a digital-native organization, with digital sales now accounting for 45% of B2C revenue. The company is on track to reach its 50% digital mix target by the end of FY27, supported by the strategic migration of all key e-commerce platforms to Shopify, which provides a unified, scalable technology backbone across all brands and geographies.

Robust Vertical Integration and In-House Brand Strength: The company's vertically integrated business model continues to deliver superior margins, with gross margins reaching 67% in Q1 FY27. This is further bolstered by the strength of in-house brands, which contribute approximately 57% of B2C sales, sustaining sourcing efficiencies and providing a significant competitive advantage over traditional importers.

Scaling Lab-Grown Diamond Portfolio: The Lab-Grown Diamond segment continues its strong momentum, now representing 13% of retail revenue. This shift has enabled VGL to target higher lifetime value customers with a significantly higher Average Selling Price of approximately $250, while offering slightly better margins than natural gemstones or plain silver jewelry.

Outlook and Valuation: The company maintains a positive outlook for FY27, guiding for 9-11% revenue growth and an EBITDA margin expansion of 50-100 bps over the previous year. The company expects its Germany operations to become profit-positive this year and remains on track to achieve a 50% digital sales mix by the end of the fiscal year. Looking further ahead toward its Vision 2030, management targets a revenue milestone of INR 5,000 to INR 5,500 crores by FY30, supported by a projected 12-15% mid-to-long-term growth rate and an EBITDA margin goal of 15-18%. This growth trajectory is underpinned by scaling the Lab-Grown Diamond portfolio, expanding OTT and social commerce presence, and leveraging the recent Shopify migration to accelerate digital customer acquisition and operational leverage. **We remain optimistic about the overall business and have assigned a TP of INR 403, valued at a P/E multiple of 20x the FY29E EPS of INR 20.14 with a BUY rating.**

Particulars (INR Mn)	FY25	FY26	FY27 E	FY28 E	FY29 E
Revenue	33,796	36,837	40,705	45,264	50,560
Growth	*11.1%*	*9.0%*	*10.5%*	*11.2%*	*11.7%*
EBITDA	3,173	3,676	3,819	4,519	5,772
EBITDA Margin	*9.4%*	*10.0%*	*9.4%*	*10.0%*	*11.4%*
PAT	1,531	1,943	1,944	2,442	3,360
EPS (INR)	9.18	11.65	11.66	14.64	20.14
P/E (x)	25.38	20.00	19.99	15.92	11.57

Source: Company, Arihant Capital Research

INR Mn (Consolidated)	Q1FY27	Q4FY26	Q1FY26	Q-o-Q	Y-o-Y
Net Revenue	**9170.73**	**9347.07**	**8137.37**	***-1.89%***	***12.70%***
Raw Material Costs	2742.85	3198.80	2770.12	*-14.25%*	*-0.98%*
Gross Profit	6427.88	6148.27	5367.26	*4.55%*	*19.76%*
Gross Margin	*70.09%*	*65.78%*	*65.96%*	*431bps*	*413bps*
Employee costs	1528.76	1551.15	1490.06	*-1.44%*	*2.60%*
Other Expenses	3931.80	3762.92	3261.79	*4.49%*	*20.54%*
EBITDA	**967.32**	**834.20**	**615.41**	***15.96%***	***57.18%***
EBITDA margin	*10.55%*	*8.92%*	*7.56%*	*162bps*	*299bps*
Other Non Operating Income	53.13	125.45	130.74	*-57.64%*	*-59.36%*
Depreciation	266.30	279.24	252.94	*-4.63%*	*5.28%*
EBIT	**754.16**	**680.41**	**493.21**	***10.84%***	***52.91%***
Finance costs	45.43	43.06	35.03	*5.51%*	*29.70%*
Exceptional Items	-	1.75	-	*-100.00%*	*#DIV/0!*
PBT	**708.73**	**639.11**	**458.18**	***10.89%***	***54.68%***
Tax Expense	144.90	-272.29	81.86	*-153.22%*	*77.01%*
Effective tax rate	*25.00%*	*-42.60%*	*17.87%*	*6760bps*	*713bps*
PAT	**563.83**	**911.40**	**376.32**	***-38.14%***	***49.83%***
PAT margin	*6.15%*	*9.75%*	*4.62%*	*-360bps*	*152bps*
EPS (INR)	**3.37**	**5.47**	**2.26**	***-38.39%***	***49.12%***

Source: Company, Arihant Capital Research

Tech-Driven Operational Leverage via AI Integration: The company has implemented extensive AI initiatives across product scheduling, content generation, and personalized marketing. This transformation from a traditional TV retailer to an integrated digital-first AI omnichannel retailer is expected to be a key structural driver for both growth and operating leverage in the coming years.

Expanding Omnichannel Reach through OTT and Social Commerce: VGL is aggressively expanding its presence beyond traditional TV into Connected TV (OTT) platforms like Roku, Fire TV, and Samsung TV. Additionally, the company is seeing encouraging traction in live streaming on social networks such as TikTok, YouTube, and Instagram, which serves as a new growth lever for customer engagement and acquisition.

Disciplined Capital Allocation and Healthy Returns: The company maintains a robust balance sheet with a net cash position of INR 287 crores, providing the flexibility to invest in growth while maintaining a healthy ROCE of 24% and ROE of 18%.

Strategic Long-Term Growth Trajectory (Vision 2030): VGL has reiterated its ambitious FY30 revenue target of INR 5,000 to INR 5,500 crores, implying confidence in achieving 12% to 15% growth in the mid-to-long term. This growth is expected to be driven by the scaling of digital platforms, expansion into lifestyle categories, and the maturing of international markets like Germany.

Resilience and Profitability in International Markets: Despite a cautious consumer spending environment, the US business remains resilient, and the Germany business is now on track to contribute positively to group profitability from FY27. In the UK, proprietary brands like Rachel Galley continue to perform strongly, helping to offset broader softness in the discretionary retail sector.

P&L (INR Mn)	FY24	FY25	FY26	FY27 E	FY28 E	FY29 E
Sales(Including OI)	**30,676**	**34,076**	**37,123**	**40,996**	**45,560**	**50,861**
COGS	(10,758)	(11,692)	(12,967)	(14,043)	(15,164)	(16,432)
Gross Profit	19,651	22,385	24,156	26,952	30,396	34,429
- margin (%)	64.1%	65.7%	65.1%	65.7%	66.7%	67.7%
OPEX	16,700	19,212	20,480	23,133	25,877	28,657
EBITDA	**2,951**	**3,173**	**3,676**	**3,819**	**4,519**	**5,772**
- margin (%)	**9.6%**	**9.3%**	**9.9%**	**9.3%**	**9.9%**	**11.3%**
D&A	(934)	(1,022)	(1,072)	(1,122)	(1,172)	(1,222)
EBIT	2,017	2,151	2,604	2,698	3,347	4,550
Extraordinary item	(81)	-	-	-	-	-
PBT	1,820	2,002	2,460	2,558	3,213	4,420
Tax	(552)	(470)	(517)	(614)	(771)	(1,061)
PAT	**1,267**	**1,531**	**1,943**	**1,944**	**2,442**	**3,360**
Balance Sheet (INR Mn)	**FY24**	**FY25**	**FY26**	**FY27 E**	**FY28 E**	**FY29 E**
Equity Share Capital	331	332	332	332	332	332
Other Equity	12,246	13,167	15,111	17,055	19,497	22,856
Total shareholder's funds	**12,577**	**13,500**	**15,443**	**17,387**	**19,829**	**23,189**
Non-current liabilities	1,069	1,046	1,042	1,043	1,044	1,045
Current liabilities	5,239	5,854	5,634	5,834	6,034	6,234
Total equity and liabilities	**18,890**	**20,400**	**22,124**	**24,270**	**26,913**	**30,473**
Non-current assets	6,702	6,512	6,756	6,766	6,776	6,786
Current assets	12,188	13,888	15,369	17,504	20,137	23,687
Total assets	**18,890**	**20,400**	**22,124**	**24,270**	**26,913**	**30,473**
Cashflow Statements (INR Mn)	**FY24**	**FY25**	**FY26 E**	**FY27 E**	**FY28 E**	**FY28 E**
Profit Before Tax	1819.5	2001.6	2459.9	2558.2	3213.0	4420.4
Depreciation & Amortization	933.9	1021.7	1071.7	1121.7	1171.7	1221.7
Interest Expense	117.1	149.4	144.4	139.4	134.4	129.4
Interest Income	266.3	280.4	285.4	290.4	295.4	300.4
Tax	552.2	470.3	516.6	614.0	771.1	1060.9
Extra-ordinary and Other items	80.6	0.0	0.0	0.0	0.0	0.0
OCF before WC changes	2132.6	2422.0	2874.1	2915.0	3452.7	4410.3
WC changes	365.8	788.3	-197.6	-250.0	-250.0	-250.0
OCF	1766.9	1633.7	3071.7	3165.0	3702.7	4660.3
Capex	710.9	780.5	1312.9	1121.7	1171.7	1221.7
FCF	1056.0	853.2	1758.8	2043.3	2530.9	3438.6
Change in other Assets	1329.3	50.6	3.0	10.0	10.0	10.0
Change in Equity	-715.4	-613.6	5.3	0.0	0.0	0.0
Change in Debt & other financing activities	497.7	108.0	136.8	152.0	162.0	172.0
Net change in cash	-491.0	297.1	1897.8	2185.2	2682.9	3600.5
Opening Cash Balance	1105.8	614.8	911.9	2809.6	4994.8	7677.7
Ending Cash balance	614.8	911.8	2809.6	4994.8	7677.7	11278.3

Source: Company, Arihant Capital Research

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Stock Rating Scale	**Absolute Return**
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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