

CMP: INR 274

Rating: BUY

TP: INR 481

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)	33.29
Mkt Cap (INR cr)	4,570
52w H/L (INR)	339/178
Avg Yearly Volume (in 000')	564

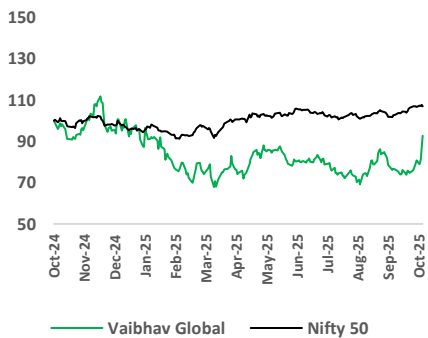
Shareholding Pattern %

(As on Sept 2025)

Promoters	57.18
FII	18.68
DII	1.24
Public & Others	22.90

Stock Performance (%)	1m	6m	12m
Vaibhav Global	21.4	24.81	(7.5)
Nifty 50	5.15	6.34	6.91

Vaibhav Global Vs Nifty 50



Vaibhav Global Ltd delivered a robust performance in Q2FY26 with strong growth and improved profitability across key metrics, surpassing estimates. Consolidated revenue rose 10.2% YoY (up 7.8% QoQ) to INR 8,773 Mn, ahead of our estimate of INR 8,697 Mn. EBITDA grew 29.0% YoY (up 26.0% QoQ) to INR 776 Mn, translating into a 129 bps YoY expansion in EBITDA margin to 8.8%, also exceeding expectations. PAT surged 71.2% YoY (up 26.4% QoQ) to INR 476 Mn, beating our estimate of INR 433 Mn.

Regional Performance: US and UK Drive Growth, Germany Soft: US constant currency growth at 6.7% YoY, aided by inventory planning and US casting startup to counter tariffs. UK up 5.7% USD (4.1% CC), boosted by merchandising, personalization, and Ideal World's single-digit margins (targeting double-digit). Germany flat YoY, digital down 9% from team realignments; gross margins up 410 bps on mix/pricing. H1 Germany loss ~€0.7 million; H2 breakeven eyed for full-year positivity. Jewellery led, with diamonds at 10.3% sales (from 5.5%).

Digital Momentum: Targeting 50% B2C Share: Digital at 42% of B2C revenue (from 39%), on track for FY27 50% goal. TV revenue up 6.7% to INR 4,870 million; digital +14.3% to INR 3,360 million via OTT/gaming (Roku, Candy Crush). Customer base +5% to 7.14 million; AOV at INR 3,800 (+41% DTM). Acquisition costs recoverable in 6-9 months (target 3-6); marketplace redirects down to 11.5% for better retention.

Margin Drivers and Operational Leverage: EBITDA INR 880 million, including other income, from 166 bps employee cost cuts (automation), 130 bps shipping gains, and marketing tweaks. Content/broadcasting at 19% due to US digital investments; H2 normalization expected. US casting (capex <\$0.5 million) caps duties at ~5.5% (vs. 5.5-15%); 10-15% pricing upside possible. Ideal World turnaround and Germany gains (406 bps gross) enable deleveraging.

Outlook and Valuation: The company upholds FY26 revenue guidance at 7-9% growth, driven by Q2's above-guidance performance via supply chain efficiencies and vertical integration, with upside potential from tariff resolutions. EBITDA margins will outpace revenue expansion, aiming for 60%+ gross through Ideal World's profitability turnaround and cost reductions. Digital B2C share hits 42% (target 50% by FY27), boosted by OTT/gaming investments with quick paybacks; US tariffs drop to 5.5% via local casting, enabling jewelry pricing gains, while UK and Germany advance toward robust profitability. Backed by INR 156 crore cash and 53% dividends, the firm targets 4-5% share in the \$30-40 billion TV/e-com market amid B2B and ESG priorities. **We remain optimistic about the overall business and upgrade our TP to INR 481, based on a 25x P/E multiple of FY28E EPS of INR 19.25, with a BUY rating.**

INR Mn	FY25	FY26 E	FY27 E	FY28 E
Revenue	33,796	36,499	40,149	45,088
Growth	11.1%	8.0%	10.0%	12.3%
EBITDA	3,173	3,459	4,373	5,586
EBITDA Margin	9.4%	9.5%	10.9%	12.4%
PAT	1,531	1,674	2,335	3,211
EPS (INR)	9.18	10.04	14.00	19.25
P/E (x)	30.39	27.80	19.93	14.49

Source: Company, Arihant Capital Research

Abhishek Jain

Abhishek.jain@arihantcapital.com

022 67114871

Deepali Kumari

deepali.kumari@arihantcapital.com

022 67114873

INR Cr (Consolidated)	Q2FY26	Q1FY26	Q2FY25	Q-o-Q	Y-o-Y
Net Revenue	877.32	813.74	796.43	7.81%	10.16%
Raw Material Costs	302.10	277.01	269.11	9.06%	12.26%
Gross Profit	575.22	536.73	527.32	7.17%	9.08%
<i>Gross Margin</i>	65.57%	65.96%	66.21%	-39bps	-64bps
Employee costs	151.25	149.01	150.19	1.51%	0.71%
Other Expenses	346.38	326.18	316.97	6.19%	9.28%
EBITDA	77.58	61.54	60.16	26.07%	28.97%
<i>EBITDA margin</i>	8.84%	7.56%	7.55%	128bps	129bps
Other Non Operating Income	10.53	13.07	8.85	-19.48%	18.93%
Depreciation	24.45	25.29	26.00	-3.33%	-5.95%
EBIT	63.66	49.32	43.01	29.07%	48.01%
Finance costs	3.41	3.50	3.69	-2.64%	-7.69%
Exceptional Items	-	-	-		
PBT	60.25	45.82	39.31	31.49%	53.25%
Tax Expense	12.69	8.19	11.54	55.07%	10.02%
<i>Effective tax rate</i>	21.07%	17.87%	29.35%	320bps	-828bps
PAT	47.55	37.63	27.78	26.36%	71.20%
<i>PAT margin</i>	5.36%	4.55%	3.45%	80bps	191bps
EPS (INR)	2.85	2.26	1.67	26.11%	70.66%

Key Highlights

Strategic Initiatives US localization advanced (15+ low-duty shipments); Germany digital fixes target Q3 20%+ growth. TV/e-com jewellery market share to 4.6% (from 3.1% FY23), ~2% of \$30-40 billion TAM.

Balance Sheet Strength and Shareholder Returns: Operating cash flow INR 660 million; free cash INR 550 million despite inventory buffers. Cash at INR 1,560 million; net debt/EBITDA at 1.3x (from 2.0x). Second interim dividend INR 1.5/share (53% payout). B2B ~38% B2C revenue, leveraging China+1; India ops at 50-55% profitability (ex-dividends).

Germany Turnaround: Internal team/digital platform fixes in place; Q3/Q4 to offset H1 losses; TV growth resuming at double-digits.

Customer Metrics: TV network reach: 120.7 million households; unique customers: 7.14 million (+5% YoY, highest ever); new customers: 380,000 (+41% YoY); average order value: 22 pieces.

Digital Momentum: Focus on customer acquisition, retention, and repeat purchases; investments in OTT (Roku), gaming (Solitaire, Candy Crush), and social video platforms.

Market Share: ~4-5% in \$30-40 billion TV/e-commerce shopping market across US/UK/Germany (up from 3.1% four years ago); long runway for growth.

P&L (INR Mn)	FY23	FY24	FY25	FY26 E	FY27 E	FY28 E
Sales	27,185	30,676	34,076	36,785	40,440	45,383
COGS	(10,471)	(10,758)	(11,692)	(12,775)	(13,651)	(15,104)
Gross Profit	16,438	19,651	22,385	24,010	26,789	30,279
Margin (%)	60.5%	64.1%	65.7%	65.3%	66.2%	66.7%
OPEX	14,166	16,700	19,212	20,551	22,416	24,693
EBITDA	2,273	2,951	3,173	3,459	4,373	5,586
Margin (%)	8.4%	9.6%	9.3%	9.4%	10.8%	12.3%
D&A	(778)	(934)	(1,022)	(1,072)	(1,122)	(1,172)
EBIT	1,495	2,017	2,151	2,387	3,251	4,414
Extraordinary item	-	(81)	-	-	-	-
PBT	1,413	1,820	2,002	2,218	3,072	4,225
Tax	(362)	(552)	(470)	(543)	(737)	(1,014)
PAT	1,051	1,267	1,531	1,674	2,335	3,211

Balance Sheet (INR Mn)	FY23	FY24	FY25	FY26 E	FY27 E	FY28 E
Equity Share Capital	330	331	332	332	332	332
Other Equity	11,683	12,246	13,167	14,842	17,176	20,387
Total shareholder's funds	12,013	12,577	13,500	15,174	17,509	20,719
Non-current liabilities	640	1,069	1,046	1,042	1,043	1,044
Current liabilities	5,215	5,239	5,854	5,634	5,834	6,034
Total equity and liabilities	17,885	18,890	20,400	21,855	24,391	27,803
Non-current assets	5,596	6,702	6,512	6,756	6,766	6,776
Current assets	12,289	12,188	13,888	15,100	17,625	21,027
Total assets	17,885	18,890	20,400	21,855	24,391	27,803

Cashflow Statements (INR Mn)	FY23	FY24	FY25	FY26 E	FY27 E	FY28 E
Profit Before Tax	1413.0	1819.5	2001.6	2217.7	3072.0	4224.7
Depreciation & Amortization	777.5	933.9	1021.7	1071.7	1121.7	1171.7
Interest Expense	82.0	117.1	149.4	169.4	179.4	189.4
Interest Income	276.3	266.3	280.4	285.4	290.4	295.4
Tax	361.7	552.2	470.3	543.3	737.3	1013.9
Extra-ordinary and Other items	0.0	80.6	0.0	0.0	0.0	0.0
OCF before WC changes	1634.6	2132.6	2422.0	2630.1	3345.4	4276.5
WC changes	92.7	365.8	788.3	-197.6	-250.0	-250.0
OCF	1541.9	1766.9	1633.7	2827.7	3595.4	4526.5
Capex	759.6	710.9	780.5	1312.9	1121.7	1171.7
FCF	782.4	1056.0	853.2	1514.8	2473.7	3354.8
Change in other Assets	64.4	1329.3	50.6	3.0	10.0	10.0
Change in Equity	-304.4	-715.4	-613.6	5.3	0.0	0.0
Change in Debt & other financing activities	261.6	497.7	108.0	111.8	112.0	107.0
Net change in cash	675.1	-491.0	297.1	1628.8	2575.7	3451.8
Opening Cash Balance	430.7	1105.8	614.8	911.9	2540.6	5116.3
Ending Cash balance	1105.8	614.8	911.8	2540.6	5116.3	8568.0

Source: Company, Aриhant Capital Research

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800	6 Lad Colony, Y.N. Road, Indore - 452003, (M.P.) Tel: (91-731) 4217100/101 CIN: L66120MP1992PLC007182

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%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

Disclaimer: This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice. ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE. ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800