



Superior retail execution

Goldiam International Ltd (GIL) posted a strong revenue growth of 38.6% driven by festive season demand in the USA, increased wallet share from existing customers, and a spillover impact from 2Q due to delayed shipments. Even after adjusting for the spillover impact, revenue would have grown ~17% YoY. LGD jewelry now contributes 80% of overall 3QFY25 revenue vs 51%/77% in 3QFY24/2QFY25 indicating strong LGD jewelry penetration. Gross margins expanded 181 bps YoY to 31.5%, likely aided by an increasing mix of lab-grown diamond (LGD) jewelry and efficient raw material management. EBITDA margins stood at 22.4% (vs 20.1% YoY) despite upfront retail store expenses, supported by higher gross margins. Other income surged 166% YoY, driven by foreign exchange gains from rupee depreciation. Other expenses rose to Rs.162 mn (+43% YoY) due to higher certification costs and increased labor expenses from outsourced manufacturing, both driven by higher business volumes and peak season demand. GIL's order book/cash & cash equivalents stood at Rs1.75/Rs.2.75 bn respectively as of December 31, 2024. Average realization of LGD/natural diamond jewelry came in at \$672 (-24% YoY but +2% QoQ) /\$448 (-2% YoY but +16% QoQ). "Origem," Goldiam's LGD jewelry retail brand in India, now operates three stores, with three more expected to open before March 31, 2025, highlighting strong execution capabilities. After completing store openings in Mumbai, Origem will shift its focus to the Delhi NCR market.

Key financial highlights

- Revenues at ₹2797Mn, 38.6%YoY/104.2%QoQ
- EBITDA (Excl OI) at ₹626Mn, 53.9%YoY/104.8%QoQ
- PAT at ₹498Mn, 53.7%YoY/125%QoQ
- Gross Margin came in at 31.5% vs 29.7% YoY/42.6% QoQ
- EBITDA Margin (Excl OI) came in at 22.4% vs 20.2% YoY/22.3% QoQ
- PAT Margins came in at 17.3% vs 15.8% YoY/15.7% QoQ

Financial Summary

Y/E Mar (Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25e	FY26e	FY27e
Net sales	3,645	4,060	6,877	5,332	6,029	7,602	8,916	10,536
EBIDTA	443	783	1,302	1,040	1,143	1,456	1,670	1,990
Margins	12.2	19.3	18.9	19.5	19.0	19.2	18.7	18.9
PAT (adj)	470	511	1,052	844	910	1,167	1,344	1,606
Growth (%)	-2.8	48.1	58.0	-19.6	6.7	28.3	15.2	19.5
EPS	4.24	5.50	9.65	7.75	8.52	10.93	12.59	15.04
P/E (x)	94	72	41	51	47	36	32	26
P/B (x)	11	9	8	7	7	6	5	4
EV/EBITDA (x)	95	53	32	39	34	27	23	19
RoE (%)	12	12	21	15	15	17	17	18
ROCE (%)	15	18	30	21	20	23	23	24
RoIC (%)	22	26	34	25	28	30	30	31

Source : Company, Dalal & Broacha Research

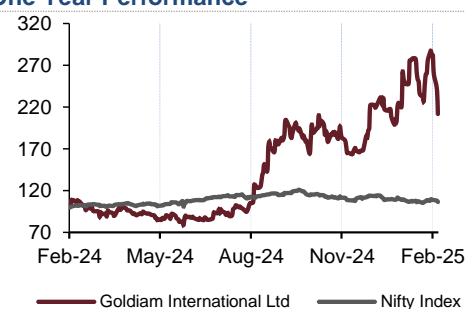
Rating	TP (Rs)	Up/Dn (%)
ACCUMULATE	376	-7

Market Data

Current price	Rs	406
Market Cap (Rs.Bn)	(Rs Bn)	43
Market Cap (US \$ Mn)	(US \$ Mn)	488
Face Value	Rs	2
52 Weeks High/Low	Rs	569 / 143.55
Average Daily Volume	('000)	2,121
BSE Code		0
Bloomberg		GLDM.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Dec-24	Sep-24
Promoters	69.00	69.00
Public	31.00	31.00
Total	100	100

Source: BSE

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LGD contribution now at 80% of overall revenue

LGD jewelry now contributes 80% of overall 3QFY25 revenue vs 51%/71% in 3QFY24/2QFY25. Average realization for LGD jewellery stood at \$672 per piece (-24% YoY / +2% QoQ), driven by strong volumes of 39k pieces (+181% YoY / +107% QoQ), highlighting the substantial rise in lab-grown diamond jewellery penetration. Meanwhile, natural diamond jewellery continued its downward trend, with its share in overall 3QFY25 revenue declining to ~20%. Average realization for natural diamond jewellery was \$448 per piece (-2% YoY / +16% QoQ), with volumes dropping to 15k pieces (-41% YoY / +53% QoQ) in 3QFY25.

ORIGEM Expansion: 3 Stores Open, 3 More Coming in Mumbai before Delhi NCR ; To open 20-25 stores by Dec-25

ORIGEM is Goldiam International's dedicated retail brand for lab-grown diamond jewellery, marking the company's strategic foray into India's domestic B2C market. Launched during the Diwali festive season, ORIGEM has quickly expanded with three operational stores in Mumbai—Borivali, Kharghar, and a flagship outlet in Bandra's Turner Road. With a strong focus on consumer acceptance, Goldiam plans further expansion, adding three more stores in Mumbai before entering the Delhi NCR market. Complementing its retail presence, ORIGEM has also launched its e-commerce platform, www.origemindia.com, to enhance accessibility and drive growth in India's fast-evolving jewellery segment.

Debt-Free Balance Sheet and Cash Reserves for Growth

Goldiam maintains a debt-free status, with cash and cash equivalents (including investments) of Rs.2.76 bn as of December 31, 2024. This strong liquidity position provides the company with financial flexibility for expansion, including new ORIGEM store openings and further investments in the lab-grown diamond segment.

Strong Order Book of Rs.1.75bn provide short term revenue visibility

Goldiam International's order book stood at Rs.1.75bn as of December 31, 2024, ensuring strong revenue visibility for the next 3-4 months. The company continues to see healthy demand from its B2B export segment, particularly in lab-grown diamond (LGD) jewellery, which contributed 80% of Q3 FY25 exports. Additionally, Goldiam's quick turnaround time and efficient supply chain management have strengthened customer relationships, leading to repeat orders and increased wallet share.

Valuation & Outlook

We believe GIL is well-positioned to capitalize on the increasing adoption of lab-grown diamonds in both the USA and India. With a strong balance sheet and a healthy cash position of Rs.2.7 bn, even after distributing Rs.2 bn in dividends and buybacks over the last five years, the company stands out in the small-cap space. The stock achieved our previous target of Rs.364, and following the recent rally, we maintain a cautious stance, reiterating our **ACCUMULATE** rating due to elevated valuations and our best-case scenario already being factored in. **GIL currently trades at 27x FY27e EPS of Rs.15 & we roll over our earnings estimate to FY27e & value the company at 25x (closer to 1x PEG) arriving at a target price of Rs.376.**

During Titan's 2QFY24 conference call, it was revealed that bridal engagement rings make up 40% of the US jewelry market. Notably, 50% of this segment has shifted to Lab-Grown Diamonds (LGDs), comprising a substantial 20% volume share in the overall USA jewelry market. This underscores a transformative trend in the diamond jewelry sector, signaling a notable shift in consumer preferences within the jewelry industry. Lab-Grown Diamonds (LGDs) are revolutionary products, possessing properties comparable to natural diamonds but are accessible at only 1/10th of the cost.

GIL stands at the forefront of the current shift in value within the diamond jewelry sector, bolstered by robust distribution advantages derived from its partnerships with major retailers in the USA. Furthermore, while the B2B export order book provides steady revenue flows, the domestic retail expansion of ORIGEM introduces a new recurring revenue stream. With a growing footprint in Mumbai and planned entry into Delhi NCR, Goldiam is well-positioned to scale its retail business while maintaining its stronghold in the global jewellery export market

Conference Concall KTAs

Guidance

- Aims for 10-15% export revenue growth and to **double total revenue in 4 years** including ORIGEM retail expansion.

Lab grown diamond jewellery market

- Demand shifting from natural diamonds to LGDs due to cost-effectiveness & identical properties.
- Lower carat LGD prices stable, no price drop in last two quarters for <3 carat stones.
- Customers now prefer larger LGDs (5-10 carats vs. earlier 1-5 carats).

India Retail Venture - ORIGEM

- Crossed Rs.20 Mn in topline with 3 stores in 2.5-3 months itself
- Launched B2C brand ORIGEM, with 3 stores in Mumbai, including a flagship in Bandra.
- 3 more Mumbai stores by March 2025; aiming to be the largest LGD retailer in Mumbai.
- Post-Mumbai, expansion planned in Delhi NCR & Bangalore.
- E-commerce website launched: www.origemindia.com.
- Targeting total of ~20-25 stores by Dec 2025.
- Expansion model: company-owned, company-operated.
- Monthly breakeven per store <Rs 30 lakhs per month.
- Gross margin expected **>40% post-discounts**.
- Store operations already breaking even for 3 stores which are operational (excluding HO expenses).
- ORIGEM offers buyback policy, aligned with major Indian jewelers.

US - B2B Business

- Presence in large retailers & independent stores via wholesale partners.
- Estimated >3,000-3,500 stores carrying Goldiam's products (vs. 1,500-2,000 two years ago).
- Focus on increasing per-store sales via high-end fashion & larger LGDs. On the B2B side, GIL has already fulfilled an order for an Australian retailer & aims to get more orders going forward.

Other KTAs

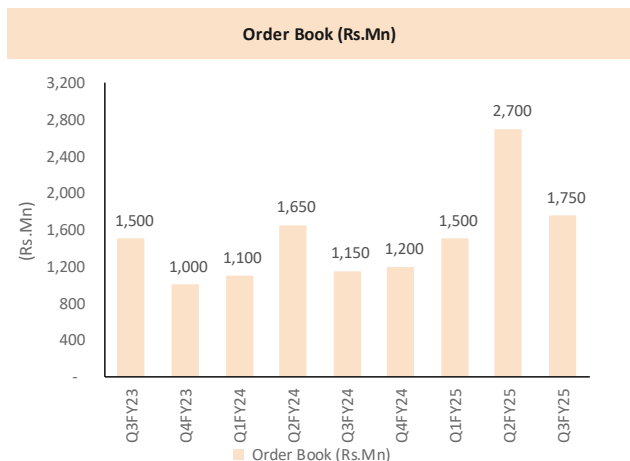
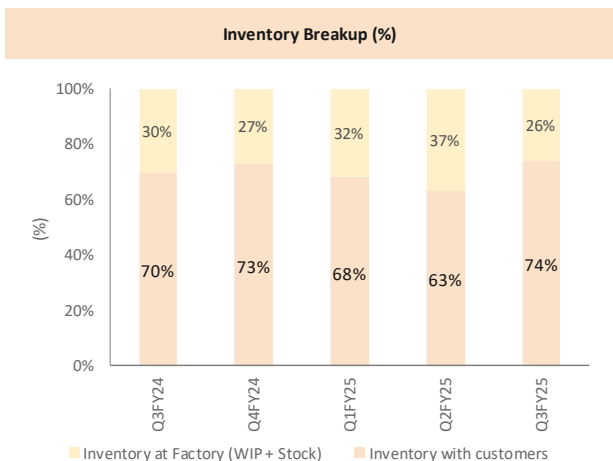
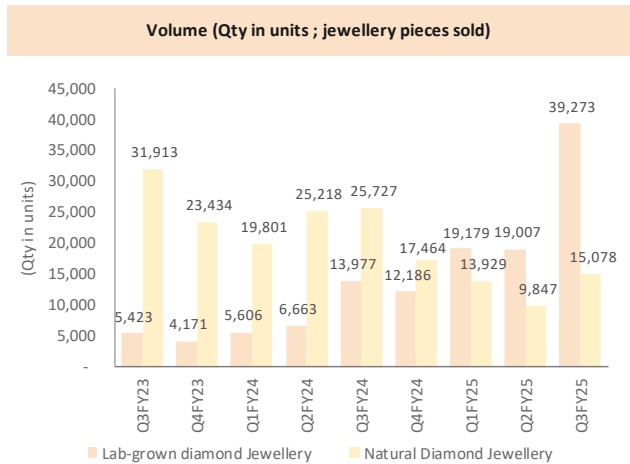
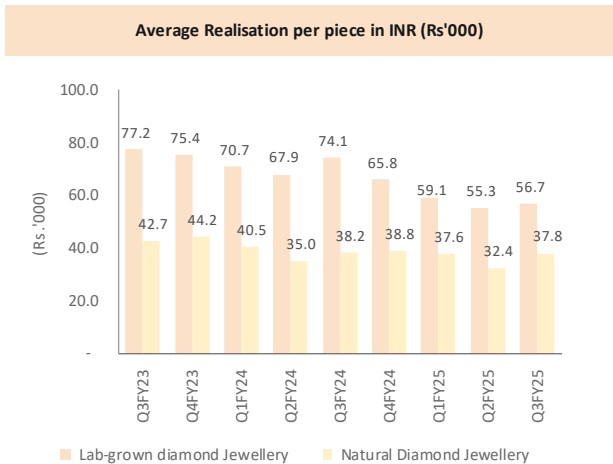
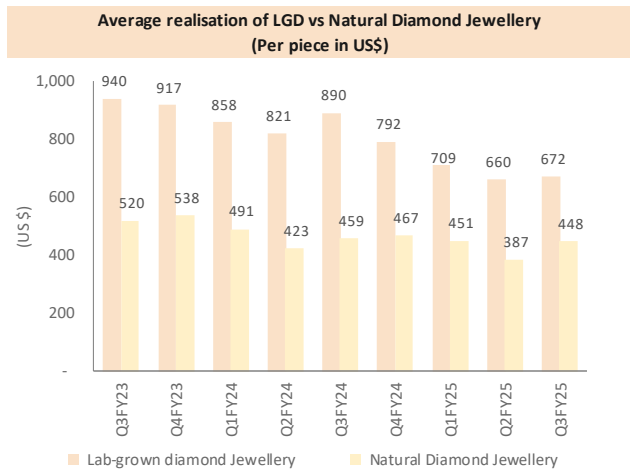
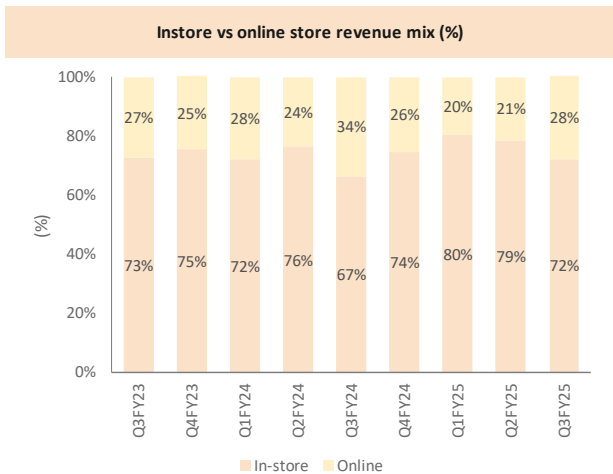
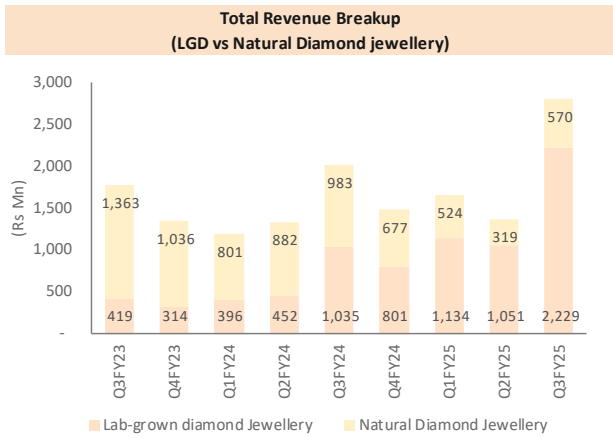
- **Certification:** Driven by customer demand; lower certification on entry-level products. Costs passed to customers.
- **Geographic Expansion:** Initial shipments made to Australia, samples sent to Middle East.
- **Inventory:** 74% of finished jewelry stock is with customers; focus on inventory turnover.

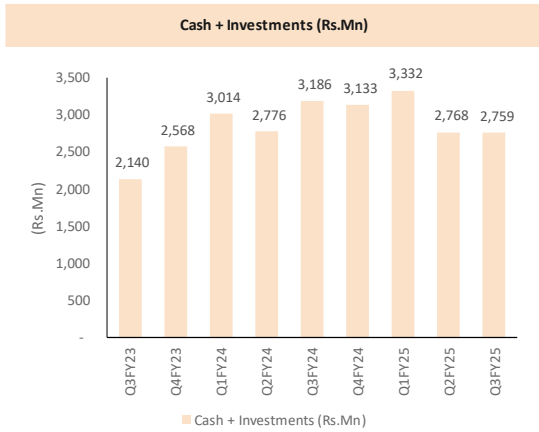
- **Credit Terms:** Wholesalers: 150-180 days ; Large retailers: 60-120 days ; Online (customer websites): 7-30 days
- **E-commerce:** 20-25% of B2B sales from online, operating on negative working capital.
- No celebrity brand ambassador planned currently; may consider after reaching 15-25 stores.

Quarterly Financials

(Rs.Mn)	Q3FY25	Q3FY24	YoY Growth (%)	Q2FY25	QoQ Growth (%)
Revenue from Operations	2,796	2,018	39%	1,370	104%
Other Income	83	31	166%	41	103%
Total RM Cost	1,916	1,419	35%	788	143%
Employee Benefits Expense	93	80	17%	92	2%
Other Expenses	162	113	43%	185	-13%
Total Expenses	2,171	1,612	35%	1,065	104%
EBITDA (Excluding Other Income)	625	406	54%	305	105%
Depreciation and Amortisation Expenses	16	17	-4%	15	6%
EBIT / PBIT	692	421	64%	331	109%
Finance Costs	1	0	97%	1	-50%
EBT/ PBT	692	421	64%	330	110%
Tax Expense	194	97	101%	109	78%
Net Profit after Tax	498	324	54%	221	125%
Adj Earning Per Share	4.66	3.03	54%	2.07	125%
Margins (%)			(In bps)		(In bps)
Gross Margins	31.5%	29.7%	181	42.5%	-1103
EBITDA Margins (Excl Other Income)	22.4%	20.1%	222	22.3%	7
PAT Margins	17.3%	15.8%	151	15.7%	160
Tax rate	28.1%	23.0%	508	33.0%	-492
As a % to sales					
RM as a % to sales	68.5%	70.3%		57.5%	
EE Cost as a % to sales	3.3%	4.0%		6.7%	
Other exps as a % to sales	5.8%	5.6%		13.5%	
Key Operational Metrics			(In bps)		(In bps)
Lab-grown diamond jewellery mix (%)	79.7%	51.3%	2840	76.7%	300
Online sales revenue mix (%)	27.8%	33.5%		21.3%	
Order Book (Rs.Mn)	1,750	1,150		2,700	
Cash Balance (Rs.Mn)	2,759	3,186		2,768	

Source: Dalal & Broacha Research





Source: Dalal & Broacha Research, Company

ORIGEM Store Snippets



Borivali (W), Mumbai



Turner Road, Bandra (W), Mumbai



Kharghar, Navi Mumbai



Financials

P&L (Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25e	FY26e	FY27e
Net Sales	3,645	4,060	6,877	5,332	6,029	7,602	8,916	10,536
Operating Expenses	-2,733	-2,717	-4,865	-3,528	-4,086	-5,040	-6,063	-7,164
Employee Cost	-133	-159	-269	-243	-257	-331	-409	-483
Other Expenses	-336	-401	-441	-520	-543	-775	-775	-899
Operating Profit	443	783	1,302	1,040	1,143	1,456	1,670	1,990
Depreciation	-25	-36	-54	-74	-61	-60	-60	-62
PBIT	418	747	1,248	966	1,082	1,396	1,609	1,928
Other income	221	72	246	211	139	163	187	219
Interest	-20	-5	-8	-3	-0	-0	-0	-0
PBT	620	814	1,486	1,175	1,221	1,559	1,796	2,147
Profit before tax	620	972	1,486	1,175	1,221	1,559	1,796	2,147
Provision for tax	-167	-301	-427	-323	-312	-393	-453	-541
Profit & Loss from	-	-	-	-	-	-	-	-
Reported PAT	453	671	1,060	852	909	1,166	1,343	1,606
MI	17	-61	-8	-8	1	1	1	-
Owners PAT	470	610	1,052	844	910	1,167	1,344	1,606
Adjusted Profit	470	511	1,052	844	910	1,167	1,344	1,606

Balance Sheet (Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25e	FY26e	FY27e
Equity capital	222	222	218	218	214	214	214	214
Reserves	3,878	4,426	4,981	5,639	6,091	7,083	8,226	9,591
Net worth	4,100	4,648	5,199	5,857	6,305	7,297	8,439	9,804
MI	54	165	61	65	50	49	48	47
Non Current Liabilities	-23	22	47	67	65	17	18	18
Current Liabilities	892	1,301	1,014	1,060	923	912	1,046	1,191
TOTAL LIABILITIES	5,023	6,136	6,322	7,048	7,343	8,275	9,551	11,061
Non Current Assets	736	828	651	668	583	449	413	379
Fixed Assets	201	412	402	406	402	375	339	304
Right of Use Assets	-	-	-	27	48	0	1	1
Financial Assets	517	395	220	189	119	61	61	61
Deferred Tax Asset	-	-	-	25	13	13	13	13
Advances	18	20	30	21	-	-	-	-
Assets	-	-	-	-	-	-	-	-
Current Assets	4,287	5,308	5,671	6,380	6,761	7,826	9,138	10,682
Current investments	1,534	1,798	1,181	1,190	1,624	1,643	1,663	1,682
Inventories	935	1,072	1,769	2,483	2,226	2,499	2,931	3,464
Trade Receivables	996	1,292	1,787	1,473	1,427	1,828	2,144	2,534
Cash and Bank Balances	546	916	866	1,189	1,448	1,816	2,357	2,955
Advances	276	208	47	18	21	21	21	21
Other Financial Assets	-	-	-	-	-	-	-	-
Other Current Assets	1	23	21	27	15	18	22	25
TOTAL ASSETS	5,023	6,136	6,322	7,048	7,343	8,275	9,551	11,061

Cashflow (Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25e	FY26e	FY27e
PBT	620	972	1,486	1,175	1,221	1,559	1,796	2,147
Depreciation	25	36	54	74	61	60	60	62
Net Chg in WC	266	-103	-1,090	-197	69	-687	-615	-779
Taxes	-144	-254	-382	-382	-315	-393	-453	-541
Others	-94	-160	-167	-18	33	55	-3	-4
CFO	673	491	-98	652	1,070	594	786	886
Capex	-21	-303	-36	-92	-66	-	-	-
Net Investments made	-284	-35	956	65	-305	-19	-19	-20
Others	65	221	29	10	96	-	-	-
CFI	-241	-117	950	-18	-276	-19	-19	-20
Change in Share capital	-126	-5	-456	-	-331	-	-	-
Change in Debts	-189	148	-198	-27	-	-	-	-
Div. & Div Tax	-149	-147	-139	-284	-129	-175	-202	-241
Others	-60	-	-110	-0	-75	-47	-24	-19
CFF	-523	-3	-902	-311	-535	-223	-226	-260
Total Cash Generated	-90	370	-50	323	259	353	540	606
Cash Opening Balance	636	546	916	866	1,189	1,448	1,816	2,357
Cash Closing Balance	546	916	866	1,189	1,448	1,816	2,357	2,955
Ratios	FY20	FY21	FY22	FY23	FY24	FY25e	FY26e	FY27e
OPM	12.2	19.3	18.9	19.5	19.0	19.2	18.7	18.9
NPM	12.2	12.4	14.8	15.2	14.8	15.0	14.8	14.9
Tax rate	-27.0	-31.0	-28.7	-27.5	-25.5	-25.2	-25.2	-25.2
Growth Ratios (%)								
Net Sales	-18.3	11.4	69.4	-22.5	13.1	26.1	17.3	18.2
Operating Profit	-20.7	76.7	66.2	-20.1	9.9	27.4	14.6	19.2
PBIT	-9.9	78.6	67.1	-22.6	12.0	29.0	15.3	19.8
PAT	-2.8	48.1	58.0	-19.6	6.7	28.3	15.2	19.5
Per Share (Rs.)								
Net Earnings (EPS)	4.24	5.50	9.65	7.75	8.52	10.93	12.59	15.04
Cash Earnings (CPS)	4.46	5.83	10.15	8.43	9.09	11.49	13.15	15.62
Dividend	6.50	8.00	3.60	2.00	1.21	1.64	1.89	2.26
Book Value	36.98	41.92	47.71	53.74	59.03	68.32	79.02	91.80
Free Cash Flow	5.27	2.46	-1.73	3.99	8.77	3.84	5.90	6.54
Valuation Ratios								
P/E(x)	97	74	42	53	48	37	33	27
P/B(x)	11	10	9	8	7	6	5	4
EV/EBIDTA(x)	98	55	33	41	36	28	24	20
Div. Yield(%)	1.59	1.95	0.88	0.49	0.29	0.40	0.46	0.55
FCF Yield(%)	1.29	0.60	-0.42	0.97	2.14	0.94	1.44	1.60
Return Ratios (%)								
ROE	12%	12%	21%	15%	15%	17%	17%	18%
ROCE	15%	18%	30%	21%	20%	23%	23%	24%
RoIC	22%	26%	34%	25%	28%	30%	30%	31%

Source: Dalal & Broacha Research, Company

Rating History

Particular	Date	Rating	Market Price (Rs)	Target Price (Rs)
Initiating coverage	07-Jan-24	Buy	183	230
Q3FY24 Result Update	09-Feb-24	Buy	202	237
4QFY24 Result Update	24-May-24	Buy	175	230
1QFY25 Result Update	14-Aug-24	Buy	240	260
Q2FY25 Result Update	08-Nov-24	Accumulate	346	364
3QFY25 Result Update	11-Feb-25	Accumulate	405	376

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