

# Titan Company

Estimate changes

TP change

Rating change



**CMP: INR3,814**

**TP: INR4,500 (+18%)**

**Buy**

## Growth outlook improving; slight miss on margins

- Titan Company (TTAN) posted consolidated sales growth of 29% YoY in 2QFY26. Standalone jewelry sales (excl. bullion) rose 19% YoY, driven by the early onset of the festive season, gold exchange campaign, and consumer offers. Studded jewelry grew 16% YoY, and the mix remained flat YoY at 34%. Net jewelry store additions stood at 35 in 2Q, bringing the total count to 1,145. Standalone jewelry LFL growth was 14%, while CaratLane posted a robust 29% YoY growth. Moreover, TTAN witnessed robust festive season sales in October, consistent with the positive feedback shared in our channel checks update ([link](#)). Gold prices moderated ~6% during the 10 days after Diwali, supporting incremental footfalls.
- Standalone jewelry EBIT margin (excl. bullion) contracted 60bp YoY to 10.8% (est. 11.6%), impacted by a skewed product mix driven by: a) higher gold coin sales, b) reduced studded margins due to the sharp rise in gold price, and c) investments in exchange offers and campaigns to drive growth. Management reiterated its standalone EBIT margin guidance of 11-11.5%. CaratLane's EBIT margin expanded 320bp to 10.2%.
- The domestic watches business reported a 13% YoY revenue growth, led by a strong 17% growth in the analog segment. Analog volumes increased 12% YoY, supported by an 8% rise in average selling prices. In contrast, the smartwatch segment declined 22% YoY, primarily due to lower volumes, though ASPs were higher. Fastrack, Titan, and Helios LFL grew 10%, 11%, and 14% YoY, respectively. Eye care revenue grew 9% YoY, led by an 8% YoY growth in the domestic business.
- After a healthy 2Q, a shift of the festive season to an earlier period, and a high base, expectations for 2HFY26 were muted. However, strong jewelry demand over the past 45 days indicates that Titan is effectively capitalizing on the momentum. The earnings growth outlook has certainly improved, despite EBIT margin being under pressure (higher coinage mix). **We increase our estimates by 3% and reiterate our BUY rating with a TP of INR4,500 (60x Sep'27 EPS).**

## Beat in consolidated EBITDA despite standalone EBIT margin pressure

- **Growth metrics improving, 2HFY26 better than 1HFY26:** TTAN's consolidated revenue grew 29% YoY to INR187.3b (est. INR163.6b). Consolidated Jewelry sales grew 29% YoY to INR165.2b (est. 142.7b), ex-bullion sales grew 22% to INR143.3b. Standalone jewelry sales (ex-bullion) grew 19% to INR127.9b (est. INR122.7). Bullion sales grew 122% YoY to INR19.6b. Growth was led by a higher ticket size due to an increase in gold prices. CaratLane's sales grew 29% YoY. The number of jewelry stores grew 13% YoY to 1,145. Watches/Eyewear/others clocked revenue growth of 13%/9%/63% YoY.

| Bloomberg             | TTAN IN       |
|-----------------------|---------------|
| Equity Shares (m)     | 888           |
| M.Cap.(INRb)/(USD\$)  | 3385.6 / 38.2 |
| 52-Week Range (INR)   | 3827 / 2925   |
| 1, 6, 12 Rel. Per (%) | 8/9/12        |
| 12M Avg Val (INR M)   | 3527          |

### Financials & Valuations (INR b)

| Y/E March         | 2026E | 2027E | 2028E   |
|-------------------|-------|-------|---------|
| Sales             | 757.1 | 873.7 | 1,002.5 |
| Sales Gr. (%)     | 25.2  | 15.4  | 14.7    |
| EBITDA            | 81.5  | 94.5  | 108.9   |
| EBITDA Margin (%) | 10.8  | 10.8  | 10.9    |
| Adj. PAT          | 50.5  | 59.9  | 70.7    |
| Adj. EPS (INR)    | 56.8  | 67.2  | 79.5    |
| EPS Gr. (%)       | 34.3  | 18.4  | 18.2    |
| BV/Sh.(INR)       | 170.4 | 217.4 | 273.1   |

### Ratios

|            |      |      |      |
|------------|------|------|------|
| RoE (%)    | 37.7 | 34.7 | 32.4 |
| RoCE (%)   | 17.4 | 17.8 | 18.1 |
| Payout (%) | 30.0 | 30.0 | 30.0 |

### Valuation

|                |      |      |      |
|----------------|------|------|------|
| P/E (x)        | 67.3 | 56.8 | 48.1 |
| P/BV (x)       | 22.4 | 17.6 | 14.0 |
| EV/EBITDA (x)  | 41.6 | 36.3 | 30.7 |
| Div. Yield (%) | 0.4  | 0.5  | 0.6  |

### Shareholding pattern (%)

| As On    | Sep-25 | Jun-25 | Sep-24 |
|----------|--------|--------|--------|
| Promoter | 52.9   | 52.9   | 52.9   |
| DII      | 14.2   | 12.8   | 11.5   |
| FII      | 16.2   | 17.6   | 18.3   |
| Others   | 16.8   | 16.7   | 17.3   |

FII Includes depository receipts

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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- **Standalone jewelry EBIT growth at 13%:** Gross margin contracted 130bp YoY to 21.4% (est. 23%). EBITDA margin contracted 50bp YoY to 10% (est. 11.2%). Standalone jewelry EBIT margin (excl. bullion) contracted 60bp YoY to 10.8% (est. 11.6%), impacted by elevated promotions and an unfavorable product mix. CaratLane's EBIT margin expanded 320bp to 10.2%. Watches' margin expanded 110bp to 16.1% (est. 16.1%). Eye care's margin declined 540bp YoY to 5.5% (est. 11%).
- **Robust 20% earnings growth:** EBITDA grew 23% YoY to INR18.8b (INR 18.3b). Ad spends increased 25% YoY, other expenses increased 20% YoY, and employee costs rose 19% YoY. PBT increased 23% YoY to INR15.2b (est. INR15.4b). Adj. PAT rose 20% YoY to INR11.2b (est. INR11.5b).
- In 1HFY26, net sales, EBITADA, and APAT grew 27%, 34%, and 34%, respectively.

### Highlights from the management commentary

- October was strong, supported by robust festive season sales. Gold prices moderated by about 6% during the 10 days after Diwali.
- TTAN has launched more offerings in the lower carriages category. The company is also testing 18-karat jewelry, which has received encouraging initial response, though its contribution to the overall sales mix remains minimal.
- For 3QFY26, the company expects overall growth prospects to improve if gold prices stabilize, as this would likely drive higher footfalls and support stabilization in studded jewelry's gross margins.
- For Tanishq, in FY26, TTAN plans to open 35-40 stores and renovate ~70 stores.
- Standalone EBIT margin (ex-bullion) guidance remains at 11-11.5%, with a stronger focus on absolute growth.

### Valuation and view

- We increase our EPS estimates by 3% for FY26/FY27.
- TTAN, with its superior competitive positioning (in sourcing, studded ratio, youth-centric focus, and reinvestment strategy), continues to outperform other branded players. The brand recall and business moat are not easily replicable; therefore, Tanishq's competitive edge will remain strong in the category.
- The store count reached 3,377 as of Sep'25, and the expansion story remains intact. The non-jewelry business is also scaling up well and will contribute to growth in the medium term.
- We model a CAGR of 18%/20%/23% in revenue/EBITDA/PAT during FY25-28E. TTAN's valuation is rich, but it offers a long runway for growth with a superior execution track record. **Reiterate BUY with a TP of INR4,500 (60x Sep'27 P/E).**

## Consolidated Quarterly Performance

(INR b)

| Y/E March           | FY25         |              |              |              | FY26E        |              |              |              | FY25         | FY26E        | FY26         | Var. |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|
|                     | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3QE          | 4QE          |              |              | 2QE          | (%)  |
| <b>Net Sales</b>    | <b>132.7</b> | <b>145.3</b> | <b>177.4</b> | <b>149.2</b> | <b>165.2</b> | <b>187.3</b> | <b>232.5</b> | <b>172.2</b> | <b>604.6</b> | <b>757.1</b> | <b>163.6</b> | 14.4 |
| YoY change (%)      | 11.5         | 16.0         | 25.2         | 19.4         | 24.6         | 28.8         | 31.1         | 15.4         | 18.3         | 25.2         | 12.6         |      |
| <b>Gross Profit</b> | <b>29.3</b>  | <b>33.0</b>  | <b>39.1</b>  | <b>34.0</b>  | <b>37.1</b>  | <b>40.2</b>  | <b>54.6</b>  | <b>46.0</b>  | <b>135.4</b> | <b>177.9</b> | <b>37.6</b>  |      |
| Margin (%)          | 22.1         | 22.7         | 22.0         | 22.8         | 22.5         | 21.4         | 23.5         | 26.7         | 22.4         | 23.5         | 23.0         |      |
| <b>EBITDA</b>       | <b>12.5</b>  | <b>15.3</b>  | <b>19.3</b>  | <b>15.4</b>  | <b>18.3</b>  | <b>18.8</b>  | <b>24.8</b>  | <b>19.6</b>  | <b>62.4</b>  | <b>81.5</b>  | <b>18.3</b>  | 2.4  |
| EBITDA growth %     | 10.8         | 8.2          | 23.1         | 29.1         | 46.8         | 22.9         | 28.9         | 27.3         | 17.9         | 30.6         | 20.0         |      |
| Margin (%)          | 9.4          | 10.5         | 10.9         | 10.3         | 11.1         | 10.0         | 10.7         | 11.4         | 10.3         | 10.8         | 11.2         |      |
| Depreciation        | 1.6          | 1.7          | 1.8          | 1.8          | 1.8          | 1.9          | 1.9          | 1.9          | 6.9          | 7.6          | 1.8          |      |
| Interest            | 2.3          | 2.4          | 2.3          | 2.5          | 2.7          | 2.8          | 2.6          | 2.5          | 9.5          | 10.6         | 2.4          |      |
| Other Income        | 1.2          | 1.2          | 1.3          | 1.2          | 1.1          | 1.1          | 1.1          | 1.2          | 4.9          | 4.5          | 1.4          |      |
| <b>PBT</b>          | <b>9.7</b>   | <b>12.4</b>  | <b>16.5</b>  | <b>12.2</b>  | <b>14.8</b>  | <b>15.2</b>  | <b>21.4</b>  | <b>16.4</b>  | <b>50.8</b>  | <b>67.8</b>  | <b>15.4</b>  | -1.5 |
| Tax                 | 2.6          | 3.1          | 4.0          | 3.5          | 3.9          | 4.0          | 5.5          | 3.9          | 13.1         | 17.3         | 3.9          |      |
| Rate (%)            | 26.5         | 24.8         | 24.5         | 28.5         | 26.3         | 26.4         | 25.5         | 23.9         | 25.9         | 25.5         | 25.5         |      |
| <b>Adjusted PAT</b> | <b>7.2</b>   | <b>9.3</b>   | <b>12.5</b>  | <b>8.7</b>   | <b>10.9</b>  | <b>11.2</b>  | <b>15.9</b>  | <b>12.5</b>  | <b>37.6</b>  | <b>50.5</b>  | <b>11.5</b>  | -2.7 |
| YoY change (%)      | -5.4         | 1.7          | 18.3         | 13.0         | 52.6         | 20.2         | 28.0         | 43.4         | 7.6          | 34.3         | 23.6         |      |
| Extraordinary       | 0.0          | 2.3          | 2.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 4.3          | 0.0          | 0.0          | 0.0  |
| <b>Reported PAT</b> | <b>7.2</b>   | <b>7.0</b>   | <b>10.5</b>  | <b>8.7</b>   | <b>10.9</b>  | <b>11.2</b>  | <b>15.9</b>  | <b>12.5</b>  | <b>33.4</b>  | <b>50.5</b>  | <b>11.5</b>  | -2.7 |

E: MOFSL Estimates

## Key exhibits

### Exhibit 1: Consolidated segmental snapshot

| Consolidated (INR b)              | 1QFY24       | 2QFY24       | 3QFY24       | 4QFY24       | 1QFY25       | 2QFY25       | 3QFY25       | 4QFY25       | 1QFY26       | 2QFY26       |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total Sales</b>                | <b>120.1</b> | <b>126.5</b> | <b>143.0</b> | <b>126.5</b> | <b>133.9</b> | <b>146.6</b> | <b>178.7</b> | <b>150.3</b> | <b>166.3</b> | <b>188.4</b> |
| Watches sales (INR b)             | 9.1          | 10.9         | 9.9          | 9.4          | 10.2         | 13.0         | 11.4         | 11.3         | 12.7         | 14.8         |
| YoY Growth                        | 16%          | 32%          | 22%          | 6%           | 12%          | 19%          | 15%          | 21%          | 24%          | 13%          |
| Jewellery sales (INR b)           | 107.0        | 110.8        | 127.4        | 110.1        | 118.1        | 127.7        | 161.3        | 132.5        | 146.5        | 165.2        |
| YoY Growth                        | 28%          | 39%          | 22%          | 21%          | 10%          | 15%          | 27%          | 20%          | 24%          | 29%          |
| Jewellery (excluding gold ingots) | 97.6         | 92.7         | 125.6        | 98.2         | 108.1        | 117.8        | 159.9        | 122.7        | 129.9        | 143.3        |
| YoY Growth                        | 22%          | 23%          | 24%          | 22%          | 11%          | 27%          | 27%          | 25%          | 20%          | 22%          |
| Eyewear sales (INR b)             | 2.0          | 1.9          | 1.7          | 1.7          | 2.1          | 2.0          | 2.0          | 1.9          | 2.4          | 2.2          |
| YoY Growth                        | 11%          | 13%          | -3%          | 1%           | 3%           | 7%           | 17%          | 16%          | 13%          | 9%           |
| Others                            | 2.0          | 2.9          | 4.0          | 5.4          | 3.5          | 3.8          | 4.0          | 4.5          | 4.7          | 6.2          |
| YoY Growth                        | 19%          | 27%          | 51%          | 77%          | 73%          | 30%          | -1%          | -17%         | 36%          | 63%          |
| <b>Total EBIT</b>                 | <b>11.1</b>  | <b>13.9</b>  | <b>15.5</b>  | <b>11.9</b>  | <b>12.0</b>  | <b>14.8</b>  | <b>18.7</b>  | <b>14.7</b>  | <b>17.5</b>  | <b>18.0</b>  |
| Watches                           | 1.0          | 1.6          | 0.6          | 0.8          | 1.1          | 2.0          | 1.1          | 1.3          | 2.9          | 2.4          |
| YoY Growth                        | 3%           | 31%          | -32%         | -28%         | 10%          | 23%          | 93%          | 75%          | 159%         | 21%          |
| EBIT Margin                       | 11.1%        | 14.7%        | 5.7%         | 8.1%         | 10.9%        | 15.0%        | 9.5%         | 11.7%        | 22.5%        | 16.1%        |
| Jewellery EBIT (INR b)            | 10.2         | 12.2         | 14.8         | 10.9         | 11.0         | 12.6         | 17.4         | 13.3         | 14.1         | 15.1         |
| YoY Growth                        | -3%          | 12%          | 19%          | 9%           | 8%           | 4%           | 18%          | 22%          | 28%          | 19%          |
| EBIT Margin                       | 9.6%         | 11.0%        | 11.6%        | 9.9%         | 9.3%         | 9.9%         | 10.8%        | 10.1%        | 9.6%         | 9.1%         |
| Eyewear EBIT (INR b)              | 0.4          | 0.3          | 0.1          | 0.1          | 0.2          | 0.2          | 0.2          | 0.2          | 0.2          | 0.1          |
| YoY Growth                        | -3%          | -11%         | -59%         | 250%         | -46%         | -12%         | 54%          | 171%         | 5%           | -45%         |
| EBIT Margin                       | 17.2%        | 13.2%        | 7.7%         | 4.2%         | 9.0%         | 10.9%        | 10.2%        | 9.8%         | 8.4%         | 5.5%         |
| Others EBIT (INR b)               | (0.5)        | (0.1)        | (0.0)        | 0.2          | (0.3)        | (0.0)        | 0.0          | (0.2)        | 0.4          | 0.4          |

Source: Company, MOFSL

**Exhibit 2: Standalone Jewelry and CaratLane – Sales and EBIT margins**

| Sales (Standalone) (INRb)           | 1QFY24       | 2QFY24       | 3QFY24       | 4QFY24       | 1QFY25       | 2QFY25       | 3QFY25       | 4QFY25       | 1QFY26       | 2QFY26       |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Jewellery                           | 100.1        | 103.3        | 118.3        | 101.3        | 107.9        | 116.5        | 147.0        | 121.0        | 130.0        | 147.4        |
| -YoY growth (%)                     | 26%          | 34%          | 20%          | 17%          | 8%           | 13%          | 24%          | 19%          | 21%          | 27%          |
| Bullion                             | 9.4          | 17.6         | 1.2          | 11.3         | 9.1          | 8.8          | 0.0          | 8.6          | 14.8         | 19.6         |
| -YoY growth (%)                     | 163%         | 264%         | -62%         | 7%           | -3%          | -50%         | -100%        | -23%         | 63%          | 122%         |
| % of Jewellery                      | 9%           | 17%          | 1%           | 11%          | 8%           | 8%           | 0%           | 7%           | 11%          | 13%          |
| Jewellery (ex-bullion)              | 90.7         | 85.8         | 117.1        | 90.0         | 98.8         | 107.6        | 147.0        | 112.3        | 115.2        | 127.9        |
| -YoY growth (%)                     | 19%          | 19%          | 23%          | 19%          | 9%           | 26%          | 26%          | 25%          | 17%          | 19%          |
| Jewellery EBIT (INR m) (ex-bullion) | 10.0         | 12.1         | 14.3         | 10.9         | 11.0         | 12.2         | 16.5         | 13.3         | 13.2         | 13.8         |
| -YoY growth (%)                     | -3%          | 9%           | 16%          | 9%           | 10%          | 1%           | 15%          | 22%          | 20%          | 13%          |
| <b>EBIT margin (%)</b>              | <b>11.0%</b> | <b>14.1%</b> | <b>12.2%</b> | <b>12.1%</b> | <b>11.2%</b> | <b>11.4%</b> | <b>11.2%</b> | <b>11.9%</b> | <b>11.5%</b> | <b>10.8%</b> |
| <b>Caratlane</b>                    |              |              |              |              |              |              |              |              |              |              |
| Sales (INR m)                       | 6.4          | 6.5          | 8.9          | 7.5          | 7.4          | 8.3          | 11.2         | 8.8          | 10.3         | 10.7         |
| -YoY growth (%)                     | 33%          | 45%          | 32%          | 29%          | 15%          | 28%          | 25%          | 18%          | 39%          | 29%          |
| EBIT (INR m)                        | 0.4          | 0.3          | 0.8          | 0.5          | 0.4          | 0.6          | 1.3          | 0.7          | 0.7          | 1.1          |
| EBIT margin (%)                     | 5.5%         | 4.0%         | 9.2%         | 7.0%         | 5.7%         | 7.0%         | 11.7%        | 7.9%         | 6.6%         | 10.2%        |

Source: Company, MOFSL


**Key highlights from the management interaction**
**Performance and Outlook**

- The domestic jewelry business, which comprises Tanishq, Mia, and Zoya ('Jwl. Domestic'), delivered a robust revenue growth of approximately 18% YoY, despite elevated gold prices. Same-store sales growth stood at around 14%.
- Within the mix, gold jewellery grew c.13% YoY, coins grew c.65% YoY, reflecting investment-led demand, while studded grew at a steady c.16% YoY, driven by new collections.
- The early onset of the festive season, coupled with a robust gold exchange campaign and gold rate-led offers, enabled a change in consumer sentiments, supporting overall growth.
- October has been good with robust festive season sales. Gold prices moderated by about 6% in the 10 days after Diwali.
- TTAN has launched more offerings in the lower carriages segment. The company has tested 18 karat jewelry, which has received a good initial response, though its contribution to the sales mix is limited.
- In the lower price bands, there continues to be sluggishness in terms of the number of buyers.
- To stimulate buyer growth, TTAN ran a strong gold exchange campaign.
- TTAN is seeing higher traction in studded buyers vs gold jewelry buyers (ex-coins).
- The company introduced studded products in the sub INR100k segment, and the company expects to continue introducing such products to drive buyer growth.
- Jwl. Domestic EBIT margin stood at 11.1%; EBIT margins were under pressure on account of a skewed product mix, resulting from: a) higher gold coin sales, b) reduced studded margins due to the sharp rise in gold price, and c) investments in exchange offers and campaigns to drive growth.
- Regional jewelry players have witnessed inventory gains and are competing heavily by offering lower making charges or discounts.
- For 3QFY26, if gold prices stabilize, the company expects overall growth prospects to improve as footfalls will increase and studded gross margins will also stabilize.

- As of 2QFY26, Tanishq opened 9 stores YTD, with 8 stores opened in October. Overall, for FY26, TTAN expects to open 35-40 stores with a focus on revamping and transforming existing stores.
- TTAN has expanded and renovated ~35 stores in 1HFY26 and plans to renovate ~70 stores in FY26.
- The company believes LGDs' supply could increase in India, given the oversupply in the US. That said, customers are not too keen to purchase LGDs, and India continues to be at a nascent stage.
- Last year's correction in solitaire prices is complete, and prices have been rising since. Solitaires contribute 3-4% of sales. The high-value studded (>INR200k) segment witnessed ~1% YoY growth, contributing 14% to sales in 2QFY26.
- The international business is doing well, with North America leading the growth.

#### Margin guidance

- Lower carat products are not margin dilutive. However, on the gold exchange, there is a slight impact on margins.
- Standalone EBIT margin (ex-bullion) guidance remains at 11-11.5%, with a stronger focus on absolute growth.

#### Segmental Information

##### Caratlane

- CaratLane (domestic) reported a strong revenue growth of ~32% YoY, underscoring continued traction across both online and retail channels.
- The category's performance was broad-based, led by a strong momentum in solitaires and healthy 24% YoY growth in the studded portfolio.
- Targeted promotions bundling coins resonated well with customers, aiding conversions and ticket size increase.

##### Watches & Wearables Segment

- The watches (domestic) business delivered revenue growth of 13% YoY, driven by the 17% YoY growth of the analog watches segment.
- Analog volumes rose 12% YoY, aiding overall growth contribution in the segment. The average selling prices rose 8% YoY.
- The Titan brand, driven by premiumization trends, was the clear growth leader, clocking robust double-digit volume growth.
- Premiumization trends are also visible within Sonata, wherein higher price band products have been contributing to an ASP increase and leading to double-digit ASP growth for the brand.
- Fastrack's new launches and youth-focused initiatives have enabled sustained low double-digit volume growth over the last 2-3 quarters.
- The smart watches segment witnessed a 22% YoY decline, led by a drop in volumes, whereas ASPs were higher YoY.
- The same store retail growth across key retail formats was in healthy double digits.

#### **EyeCare (Domestic):**

- The eye care industry is growing at 7-8%, and TTAN is growing ahead of the industry. TTAN's market share is less than 5%, providing a significant headroom for growth.
- The eye care business reported a ~9% YoY growth, led by 8% YoY growth in the domestic business.
- Growth remained strong through July and August with double-digit gains before moderating in September, as customers deferred purchases ahead of the proposed GST rate cut (12% to 5%).
- For FY26, the division is transitioning from brick and mortar to an omni channel, with plans to also build a digital channel.
- Sunglasses continued to outperform eyewear solutions (frames, lenses) across both house and international brands.

#### **Emerging businesses**

- In Women's Bags, 1QFY26's growth momentum was sustained in 2Q, driven by e-commerce-fueled festive sales, delivering 90% YoY growth for the category.
- The Fragrances category grew 47% YoY, driven by strong volume gains across Skinn and Fastrack perfumes. The category continues to uphold its consistent profitability track.
- Taneira achieved 20% YoY (secondary) growth, driven by early double-digit volume growth and high single-digit growth in average selling prices. The brand continues its strategy of driving better optimization across its existing stores via higher same stores sales.
- In the Emerging Business portfolio, losses reduced to INR240m from INR290m in 2QFY25. The improvement was led by enhanced profitability in Fragrances.

**Exhibit 3: Net 55 new stores were added in 2QFY26, bringing the total count to 3,377**

| *includes international stores | 1QFY24       | 2QFY24       | 3QFY24       | 4QFY24       | 1QFY25       | 2QFY25       | 3QFY25       | 4QFY25       | 1QFY26       | 2QFY26       |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Watches</b>                 |              |              |              |              |              |              |              |              |              |              |
| World of Titan                 | 636          | 646          | 655          | 665          | 670          | 688          | 700          | 720          | 724          | 729          |
| Fastrack                       | 188          | 193          | 198          | 218          | 225          | 227          | 228          | 239          | 239          | 242          |
| Helios                         | 207          | 212          | 223          | 237          | 242          | 256          | 266          | 276          | 277          | 283          |
| Helios Luxe                    |              |              |              |              |              |              |              |              | 4            | 5            |
| <b>Jewellery</b>               |              |              |              |              |              |              |              |              |              |              |
| Tanishq                        | 433          | 445          | 466          | 479          | 491          | 502          | 515          | 522          | 526          | 533          |
| Zoya                           | 7            | 8            | 8            | 8            | 11           | 12           | 12           | 12           | 12           | 12           |
| Mia                            | 119          | 145          | 162          | 178          | 197          | 209          | 222          | 234          | 240          | 258          |
| Carat Lane                     | 233          | 246          | 262          | 272          | 275          | 286          | 306          | 323          | 332          | 342          |
| <b>Eye Wear</b>                |              |              |              |              |              |              |              |              |              |              |
| Titan Eye+                     | 901          | 905          | 913          | 902          | 905          | 908          | 905          | 897          | 878          | 878          |
| Fastrack (Eye wear)            | 7            | 8            | 8            | 3            | 3            | 2            | 2            | 0            | 1            | 6            |
| <b>Others</b>                  |              |              |              |              |              |              |              |              |              |              |
| Taneira                        | 47           | 51           | 62           | 73           | 77           | 81           | 82           | 81           | 81           | 79           |
| IRTH                           |              |              |              |              |              |              | 2            | 6            | 7            | 9            |
| SKINN                          |              |              |              |              |              |              |              | 1            | 1            | 1            |
| <b>Total</b>                   | <b>2,778</b> | <b>2,859</b> | <b>2,957</b> | <b>3,035</b> | <b>3,096</b> | <b>3,171</b> | <b>3,240</b> | <b>3,311</b> | <b>3,322</b> | <b>3,377</b> |

Source: Company, MOFSL

**Exhibit 4: Jewelry and Caratlane LTL and overall growth**

| Jewellery                               | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 |
|-----------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Studded share                           | 26     | 33     | 24     | 33     | 30     | 34     | 23     | 30     | 29     | 34     |
| <b>Jewelry Secondary USP growth (%)</b> |        |        |        |        |        |        |        |        |        |        |
| LTL growth (%)                          |        |        |        |        | 3      | 15     | 22     | 15     | 11     | 14     |
| Sales growth                            |        |        |        |        | 9      | 21     | 28     | 20     | 17     | 19     |
| <b>Tanishq</b>                          |        |        |        |        |        |        |        |        |        |        |
| LTL growth (%)                          | 16     | 22     | 10     | 14     | 3      | 15     | 22     | 15     | 11     | 14     |
| Sales growth                            | 21     | 27     | 16     | 19     | 9      | 21     | 28     | 20     | 17     | 19     |
| <b>Caratlane</b>                        |        |        |        |        |        |        |        |        |        |        |
| LTL growth (%)                          | 8      | 10     | 2      | 3      | 8      | 28     | 15     | 14     | 20     | 15     |
| Sales growth                            | 44     | 47     | 37     | 31     | 18     | 43     | 25     | 22     | 32     | 25     |

Source: Company, MOFSL



### Valuation and view

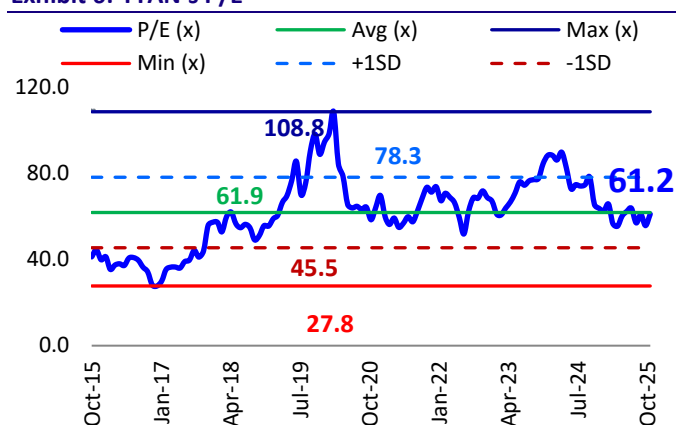
- We increase our EPS estimates by 3% for FY26/FY27.
- TTAN, with its superior competitive positioning (in sourcing, studded ratio, youth-centric focus, and reinvestment strategy), continues to outperform other branded players. The brand recall and business moat are not easily replicable; therefore, Tanishq's competitive edge will remain strong in the category.
- The store count reached 3,377 as of Sep'25, and the expansion story remains intact. The non-jewelry business is also scaling up well and will contribute to growth in the medium term.
- We model a CAGR of 18%/20%/23% in revenue/EBITDA/PAT during FY25-28E. TTAN's valuation is rich, but it offers a long runway for growth with a superior execution track record. **Reiterate BUY with a TP of INR4,500 (60x Sep'27 P/E).**

**Exhibit 5: We increase our EPS estimates by 3% for FY26/FY27**

| (INR b) | New   |       |         | Old   |       |       | Change (%) |       |       |
|---------|-------|-------|---------|-------|-------|-------|------------|-------|-------|
|         | FY26E | FY27E | FY28E   | FY26E | FY27E | FY28E | FY26E      | FY27E | FY28E |
| Sales   | 757.1 | 873.7 | 1,002.5 | 701.2 | 809.5 | 930.8 | 8.0        | 7.9   | 7.7   |
| EBITDA  | 81.5  | 94.5  | 108.9   | 76.8  | 89.8  | 103.4 | 6.0        | 5.2   | 5.2   |
| PAT     | 50.5  | 59.9  | 70.7    | 49.1  | 58.3  | 69.1  | 3.0        | 2.7   | 2.3   |

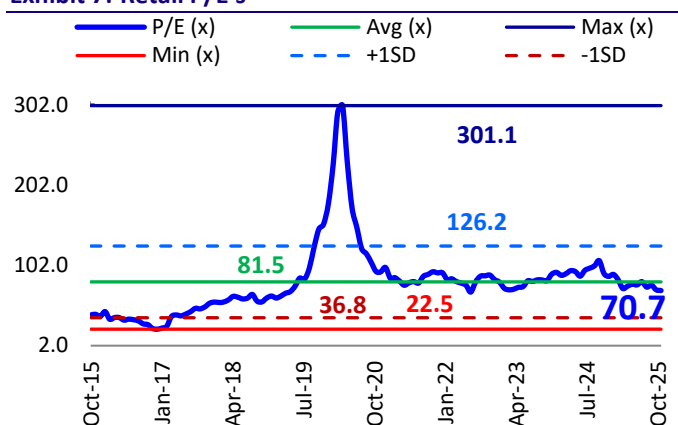
Source: MOFSL

**Exhibit 6: TTAN's P/E**



Sources: Company reports, MOFSL

**Exhibit 7: Retail P/E's**



Sources: Company reports, MOFSL



## Financials and valuations

| Income Statement             |              |              |              |              |              |              |              |              | (INR b)        |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Y/E March                    | FY20         | FY21         | FY22         | FY23         | FY24         | FY25         | FY26E        | FY27E        | FY28E          |
| <b>Net Sales</b>             | <b>210.5</b> | <b>216.4</b> | <b>288.0</b> | <b>405.8</b> | <b>510.8</b> | <b>604.6</b> | <b>757.1</b> | <b>873.7</b> | <b>1,002.5</b> |
| Change (%)                   | 6.4          | 2.8          | 33.1         | 40.9         | 25.9         | 18.3         | 25.2         | 15.4         | 14.7           |
| <b>Gross Profit</b>          | <b>59.0</b>  | <b>52.3</b>  | <b>71.6</b>  | <b>102.2</b> | <b>116.5</b> | <b>135.4</b> | <b>177.9</b> | <b>205.3</b> | <b>235.6</b>   |
| Margin (%)                   | 28.0         | 24.2         | 24.9         | 25.2         | 22.8         | 22.4         | 23.5         | 23.5         | 23.5           |
| Other expenditure            | 34.0         | 35.1         | 37.4         | 53.4         | 63.6         | 73.1         | 96.5         | 110.8        | 126.7          |
| <b>EBITDA</b>                | <b>24.9</b>  | <b>17.2</b>  | <b>34.2</b>  | <b>48.8</b>  | <b>52.9</b>  | <b>62.4</b>  | <b>81.5</b>  | <b>94.5</b>  | <b>108.9</b>   |
| Change (%)                   | 25.1         | -30.8        | 98.5         | 42.5         | 8.5          | 17.9         | 30.6         | 16.0         | 15.2           |
| Margin (%)                   | 11.8         | 8.0          | 11.9         | 12.0         | 10.4         | 10.3         | 10.8         | 10.8         | 10.9           |
| Depreciation                 | 3.5          | 3.8          | 4.0          | 4.4          | 5.8          | 6.9          | 7.6          | 8.4          | 9.3            |
| Int. and Fin. Charges        | 1.7          | 2.0          | 2.2          | 3.0          | 6.2          | 9.5          | 10.6         | 11.0         | 10.6           |
| Other Income - Recurring     | 1.5          | 1.9          | 2.3          | 3.1          | 5.3          | 4.9          | 4.5          | 5.2          | 6.0            |
| Deferred Revenue Expenditure | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0              |
| <b>Profit before Taxes</b>   | <b>21.3</b>  | <b>13.3</b>  | <b>30.4</b>  | <b>44.5</b>  | <b>46.2</b>  | <b>50.8</b>  | <b>67.8</b>  | <b>80.3</b>  | <b>94.9</b>    |
| Change (%)                   | 8.8          | -37.5        | 128.2        | 46.3         | 4.0          | 9.8          | 33.6         | 18.4         | 18.2           |
| Margin (%)                   | 10.1         | 6.2          | 10.6         | 11.0         | 9.0          | 8.4          | 9.0          | 9.2          | 9.5            |
| Tax                          | 5.8          | 3.6          | 7.9          | 11.5         | 11.0         | 13.0         | 17.3         | 20.5         | 24.2           |
| Deferred Tax                 | -0.4         | 0.1          | 0.8          | -0.2         | -0.3         | -0.2         | 0.0          | 0.0          | 0.0            |
| Tax Rate (%)                 | 28.9         | 26.5         | 23.2         | 26.4         | 24.4         | 25.9         | 25.5         | 25.5         | 25.5           |
| <b>Profit after Taxes</b>    | <b>15.2</b>  | <b>9.8</b>   | <b>23.3</b>  | <b>32.7</b>  | <b>35.0</b>  | <b>37.6</b>  | <b>50.5</b>  | <b>59.9</b>  | <b>70.7</b>    |
| Change (%)                   | 8.9          | -35.4        | 138.4        | 40.2         | 6.8          | 7.6          | 34.3         | 18.4         | 18.2           |
| Margin (%)                   | 7.2          | 4.5          | 8.1          | 8.1          | 6.8          | 6.2          | 6.7          | 6.9          | 7.1            |
| Extraordinary income         | 0            | 0            | -1           | 0            | 0            | -4           | 0            | 0            | 0              |
| <b>Reported PAT</b>          | <b>14.9</b>  | <b>9.7</b>   | <b>22.0</b>  | <b>32.7</b>  | <b>35.0</b>  | <b>33.4</b>  | <b>50.5</b>  | <b>59.9</b>  | <b>70.7</b>    |

| Balance Sheet                |              |              |              |              |              |              |              |              | (INR b)      |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Y/E March                    | FY20         | FY21         | FY22         | FY23         | FY24         | FY25         | FY26E        | FY27E        | FY28E        |
| Share Capital                | 0.9          | 0.9          | 0.9          | 0.9          | 0.9          | 0.9          | 0.9          | 0.9          | 0.9          |
| Preference Share Capital     | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Reserves                     | 65.8         | 74.1         | 92.1         | 117.6        | 93.0         | 115.4        | 150.7        | 192.6        | 242.1        |
| <b>Net Worth</b>             | <b>66.7</b>  | <b>75.0</b>  | <b>93.0</b>  | <b>118.5</b> | <b>93.9</b>  | <b>116.2</b> | <b>151.6</b> | <b>193.5</b> | <b>243.0</b> |
| Loans                        | 7.2          | 1.7          | 5.2          | 22.0         | 78.4         | 102.9        | 105.9        | 99.9         | 93.9         |
| Lease liabilities            | 12.4         | 12.6         | 13.6         | 18.7         | 23.5         | 26.8         | 30.1         | 33.0         | 35.9         |
| Deferred Tax                 | -1.5         | -1.0         | -1.8         | -1.6         | -1.8         | -1.7         | -1.7         | -1.7         | -1.7         |
| <b>Capital Employed</b>      | <b>100.7</b> | <b>130.4</b> | <b>164.3</b> | <b>211.2</b> | <b>247.4</b> | <b>322.3</b> | <b>349.9</b> | <b>415.1</b> | <b>452.4</b> |
| Gross Block                  | 17.5         | 18.0         | 19.3         | 21.9         | 27.3         | 30.4         | 33.9         | 37.4         | 40.9         |
| Less: Accum. Depn.           | 4.6          | 5.8          | 7.1          | 8.4          | 10.0         | 11.8         | 14.8         | 18.2         | 21.9         |
| <b>Net Fixed Assets</b>      | <b>12.9</b>  | <b>12.2</b>  | <b>12.2</b>  | <b>13.4</b>  | <b>17.4</b>  | <b>18.5</b>  | <b>19.0</b>  | <b>19.2</b>  | <b>19.0</b>  |
| Intangibles                  | 2.7          | 2.4          | 2.3          | 2.5          | 3.1          | 3.1          | 3.4          | 3.6          | 3.7          |
| Capital WIP                  | 0.1          | 0.2          | 0.7          | 1.3          | 0.9          | 0.9          | 0.9          | 0.9          | 0.9          |
| Right of use asset           | 9.3          | 9.1          | 9.7          | 12.9         | 15.4         | 17.7         | 17.8         | 17.3         | 16.4         |
| Investments                  | 1.6          | 28.2         | 2.9          | 25.2         | 23.5         | 19.9         | 16.4         | 16.4         | 16.4         |
| <b>Curr. Assets, L&amp;A</b> | <b>105.8</b> | <b>109.7</b> | <b>180.8</b> | <b>212.1</b> | <b>252.1</b> | <b>343.2</b> | <b>396.0</b> | <b>475.4</b> | <b>529.1</b> |
| Inventory                    | 81.0         | 84.1         | 136.1        | 165.8        | 190.5        | 281.8        | 236.7        | 361.7        | 325.0        |
| Account Receivables          | 3.1          | 3.7          | 5.7          | 6.7          | 10.2         | 10.7         | 15.6         | 18.0         | 20.6         |
| Cash and Bank Balance        | 3.8          | 5.6          | 15.7         | 13.4         | 15.3         | 15.8         | 102.5        | 50.6         | 133.9        |
| Others                       | 17.9         | 16.3         | 23.4         | 26.1         | 36.2         | 34.9         | 41.2         | 45.2         | 49.6         |
| <b>Curr. Liab. and Prov.</b> | <b>33.2</b>  | <b>33.0</b>  | <b>45.8</b>  | <b>57.5</b>  | <b>66.3</b>  | <b>82.4</b>  | <b>105.0</b> | <b>119.0</b> | <b>134.5</b> |
| Current Liabilities          | 24.4         | 23.3         | 30.5         | 41.6         | 48.4         | 58.3         | 78.2         | 88.1         | 99.1         |
| Provisions                   | 2.9          | 1.9          | 2.4          | 3.7          | 3.7          | 4.5          | 6.0          | 6.9          | 8.0          |
| <b>Net Current Assets</b>    | <b>72.6</b>  | <b>76.6</b>  | <b>135.0</b> | <b>154.6</b> | <b>185.9</b> | <b>260.8</b> | <b>291.0</b> | <b>356.4</b> | <b>394.6</b> |
| Misc. Expenditure            | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Application of Funds</b>  | <b>100.7</b> | <b>130.3</b> | <b>164.3</b> | <b>211.2</b> | <b>247.4</b> | <b>322.3</b> | <b>349.9</b> | <b>415.1</b> | <b>452.4</b> |

E: MOFSL Estimates

## Financials and valuations

### Ratios

| Y/E March                     | FY20        | FY21        | FY22        | FY23        | FY24        | FY25        | FY26E       | FY27E       | FY28E       |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Basic (INR)</b>            |             |             |             |             |             |             |             |             |             |
| <b>EPS</b>                    | <b>17.1</b> | <b>11.0</b> | <b>26.2</b> | <b>36.8</b> | <b>39.3</b> | <b>42.3</b> | <b>56.8</b> | <b>67.2</b> | <b>79.5</b> |
| Cash EPS                      | 18.8        | 12.9        | 28.2        | 38.8        | 41.9        | 45.3        | 60.2        | 71.0        | 83.6        |
| BV/Share                      | 74.9        | 84.2        | 104.5       | 133.2       | 105.5       | 130.6       | 170.4       | 217.4       | 273.1       |
| DPS                           | 6.1         | 4.0         | 7.5         | 10.0        | 11.0        | 12.4        | 17.0        | 20.2        | 23.8        |
| Payout %                      | 35.8        | 36.4        | 28.6        | 27.2        | 28.0        | 29.3        | 30.0        | 30.0        | 30.0        |
| <b>Valuation (x)</b>          |             |             |             |             |             |             |             |             |             |
| P/E                           | 223.8       | 346.4       | 145.7       | 103.9       | 97.3        | 90.4        | 67.3        | 56.8        | 48.1        |
| Cash P/E                      | 203.0       | 296.9       | 135.4       | 98.5        | 91.3        | 84.3        | 63.5        | 53.8        | 45.7        |
| EV/Sales                      | 16.2        | 15.6        | 11.8        | 8.3         | 6.7         | 5.7         | 4.5         | 3.9         | 3.3         |
| EV/EBITDA                     | 136.5       | 195.3       | 98.9        | 69.3        | 65.0        | 55.6        | 41.6        | 36.3        | 30.7        |
| P/BV                          | 51.0        | 45.4        | 36.5        | 28.7        | 36.2        | 29.2        | 22.4        | 17.6        | 14.0        |
| Dividend Yield (%)            | 0.2         | 0.1         | 0.2         | 0.3         | 0.3         | 0.3         | 0.4         | 0.5         | 0.6         |
| <b>Return Ratios (%)</b>      |             |             |             |             |             |             |             |             |             |
| RoE                           | 23.8        | 13.8        | 27.8        | 30.9        | 32.9        | 35.8        | 37.7        | 34.7        | 32.4        |
| Operating RoE                 | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| RoCE                          | 17.7        | 9.8         | 17.0        | 18.6        | 17.3        | 15.7        | 17.4        | 17.8        | 18.1        |
| RoIC                          | 18.2        | 10.3        | 19.2        | 20.7        | 18.8        | 16.7        | 21.4        | 22.2        | 22.9        |
| <b>Working Capital Ratios</b> |             |             |             |             |             |             |             |             |             |
| Debtor (Days)                 | 5           | 6           | 7           | 6           | 7           | 6           | 8           | 8           | 8           |
| Asset Turnover (x)            | 2.1         | 1.7         | 1.8         | 1.9         | 2.1         | 1.9         | 2.2         | 2.1         | 2.2         |
| <b>Leverage Ratio</b>         |             |             |             |             |             |             |             |             |             |
| Debt/Equity (x)               | 0.1         | 0.0         | 0.1         | 0.2         | 0.8         | 0.9         | 0.7         | 0.5         | 0.4         |

### Cash Flow Statement

| Y/E March                    | FY20        | FY21         | FY22        | FY23         | FY24         | FY25         | FY26E        | FY27E        | FY28E        |
|------------------------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| OP/(loss) before Tax         | 21.0        | 13.3         | 29.0        | 44.5         | 46.2         | 45.4         | 67.8         | 80.3         | 94.9         |
| Int./Div. Received           | -0.4        | -0.6         | -1.3        | -1.1         | -1.7         | -1.2         | -4.5         | -5.2         | -6.0         |
| Deferred Revenue Exp.        | 0.0         | 0.0          | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Depreciation & Amort.        | 3.5         | 3.8          | 4.0         | 4.4          | 5.8          | 6.9          | 7.6          | 8.4          | 9.3          |
| Interest Paid                | 0.7         | 1.4          | 1.2         | 1.6          | 3.7          | 6.7          | 10.6         | 11.0         | 10.6         |
| Direct Taxes Paid            | 5.6         | 2.7          | 8.0         | 11.5         | 11.7         | 10.9         | 17.3         | 20.5         | 24.2         |
| Incr in WC                   | 22.7        | -26.2        | 32.2        | 24.1         | 25.4         | 52.3         | -42.2        | 90.8         | -36.0        |
| <b>CF from Operations</b>    | <b>-3.5</b> | <b>41.4</b>  | <b>-7.2</b> | <b>13.7</b>  | <b>17.0</b>  | <b>-5.4</b>  | <b>106.4</b> | <b>-16.8</b> | <b>120.6</b> |
| Extraordinary Income         | -0.2        | 0.0          | -1.4        | 0.0          | 0.0          | -4.3         | 0.0          | 0.0          | 0.0          |
| Incr in FA                   | 3.5         | 1.4          | 2.2         | 4.2          | 6.7          | 4.7          | 4.3          | 4.3          | 4.3          |
| <b>Free Cash Flow</b>        | <b>-6.9</b> | <b>40.0</b>  | <b>-9.4</b> | <b>9.5</b>   | <b>10.2</b>  | <b>-10.1</b> | <b>102.1</b> | <b>-21.1</b> | <b>116.3</b> |
| Investments                  | -3.2        | 27.3         | -16.4       | 18.6         | -3.1         | 3.4          | -3.5         | 0.0          | 0.0          |
| Others                       | 0.7         | -1.4         | -7.1        | -2.2         | -1.8         | -14.1        | -0.5         | -1.2         | -1.9         |
| <b>CF from Invest.</b>       | <b>-1.0</b> | <b>-27.3</b> | <b>21.4</b> | <b>-20.6</b> | <b>-1.8</b>  | <b>6.1</b>   | <b>-0.3</b>  | <b>-3.1</b>  | <b>-2.4</b>  |
| Issue of Shares              | 0.0         | 0.0          | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Incr in Debt                 | 6.9         | -5.6         | 3.4         | 16.8         | 56.3         | 22.1         | 3.0          | -6.0         | -6.0         |
| Dividend Paid                | 5.4         | 3.6          | 3.6         | 6.7          | 8.9          | 9.8          | 15.2         | 18.0         | 21.2         |
| Others                       | 4.0         | 3.2          | 3.9         | 5.5          | 60.7         | 12.5         | 7.3          | 8.1          | 7.7          |
| <b>CF from Fin. Activity</b> | <b>-2.4</b> | <b>-12.3</b> | <b>-4.0</b> | <b>4.6</b>   | <b>-13.3</b> | <b>-0.1</b>  | <b>-19.4</b> | <b>-32.0</b> | <b>-34.9</b> |
| <b>Incr/Decr of Cash</b>     | <b>-6.9</b> | <b>1.8</b>   | <b>10.1</b> | <b>-2.3</b>  | <b>1.8</b>   | <b>0.6</b>   | <b>86.6</b>  | <b>-51.9</b> | <b>83.3</b>  |
| Add: Opening Balance         | 10.7        | 3.8          | 5.6         | 15.7         | 13.4         | 15.3         | 15.8         | 102.5        | 50.6         |
| <b>Closing Balance</b>       | <b>3.8</b>  | <b>5.6</b>   | <b>15.7</b> | <b>13.4</b>  | <b>15.3</b>  | <b>15.8</b>  | <b>102.5</b> | <b>50.6</b>  | <b>133.9</b> |

E: MOFSL Estimates

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| Explanation of Investment Rating |                                                                                              |
|----------------------------------|----------------------------------------------------------------------------------------------|
| Investment Rating                | Expected return (over 12-month)                                                              |
| BUY                              | $\geq 15\%$                                                                                  |
| SELL                             | $< -10\%$                                                                                    |
| NEUTRAL                          | $-10\% \text{ to } 15\%$                                                                     |
| UNDER REVIEW                     | Rating may undergo a change                                                                  |
| NOT RATED                        | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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