

Festive Momentum Drives Strong Operating Leverage; Jewellery Anchors Performance

Financial Performance

Titan delivered a strong Q3FY26 with consolidated total income of ₹246bn (ex of bullion and digi-gold sales of ₹9.8bn), up 40% YoY, reflecting robust festive demand.

EBIDTA for Q3FY26 stood at ₹27bn up by 62% YoY.

Profit before tax (pre-exceptional) rose 70% YoY to ₹2,375 cr, with margins at 9.7%. Adjusting for the impact of the gold custom duty reduction in Q3FY25, normalized PBT growth stood at 44% YoY, indicating healthy underlying operating momentum supported by favourable mix and scale benefits.

Adjusted PAT stood at ₹16.8bn up by 61% YoY

➤ Jewellery – Record Festive Quarter

- Revenue: ₹225bn (+42%) (ex-Bullion & Digi-Gold)
- EBIT: ₹248bn (+66%) | Margin: 11.0% v/s 9.4% YoY
- Tanishq, Mia, Zoya: ₹199bn (+40%) | EBIT ₹217bn (10.9%)
- CaratLane: ₹15.4bn (+42%) | EBIT ₹200 cr (13.0%)

Growth driven by:

- Blockbuster festive collections
- Strong wedding demand
- Powerful exchange programs & coin offers
- Impactful brand campaigns despite elevated gold prices

International Jewellery:

- Revenue: ₹106 bn (+83%)
- EBIT: ₹1100 mn | Margin: 10.3%
- Strong double-digit retail growth supported by store additions and L2L expansion.

Strategic Highlights:

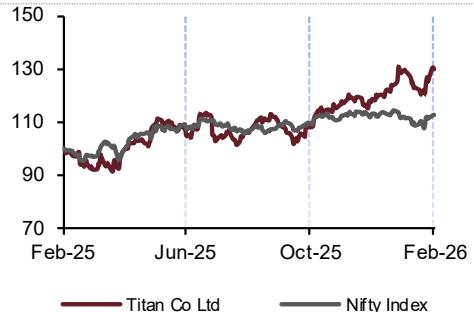
- Entry into lab-grown diamond jewellery via 'beYon', positioned as accessible fashion-forward studded jewellery.

Kunal Bhatia
+91 22 671141442
kunal.bhatia@dalal-broacha.com

Rating	TP (Rs)	Up/Dn %
HOLD	4,620	9
Market data		
Current price	Rs	4,249
Market Cap (Rs.Bn)	(Rs Bn)	3,772
Market Cap (US \$ Mn)	(US \$ Mn)	41,646
Face Value	Rs	1
52 Weeks High/Low	Rs	4379.95 / 2925
Average Daily Volume	('000)	1,767
BSE Code		500114
Bloomberg		TTAN.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Dec-25	Sep-25
Promoters	52.90	52.90
Public	47.02	47.02
Total	100.00	100.00

Source: BSE

Store additions (Net 49):

- India: 47 (CaratLane 24, Mia 11, Tanishq 10, Zoya 1, beYon 1)
- USA: 2 new Tanishq stores (Boston, Orlando)

➤ Watches – Analog Strength Offsets Smartwatch**Weakness**

- Revenue: ₹13bn (+14%)
- EBIT: ₹1.56 bn | Margin: 12.0% v/s 9.5%

Key trends:

- Analog consumer sales +20%; healthy SSSG across formats.
- Premiumisation across Titan, Fastrack, Sonata (double-digit growth).
- Smartwatch volumes down 27% YoY amid stable pricing.
- Launch of Titan Stellar 3.0, featuring India's first in-house 'Wandering Hours' timepiece.
- Net store additions: 22 (Titan World 9, Fastrack 9, Helios 3, Helios Luxe 1)

➤ EyeCare – Steady Growth with Network**Optimization**

- Revenue: ₹2.3bn (+18%)
- EBIT: ₹240mn | Margin: 10.5% v/s 9.2%
- Growth led by lenses and sunglasses (double-digit growth).
- Volume growth in high single digits; mid-single digit ASP increase.
- Network actions: 11 openings, 20 renovations, 30 closures.
- Runway added 2 stores.

➤ Emerging Businesses – Improving Trajectory

- Revenue: ₹1350 mn (+15%)
- Losses reduced to ₹26 cr (vs ₹32 cr)

Segment performance:

- Women's Bags: Strong double-digit volume & ASP growth
- Fragrances: +24% (Skinn & Fastrack perfumes led)
- Taneira: +7% (ASP + SSSG driven)

➤ Titan Engineering & Automation (TEAL)

- Revenue: ₹3.23 bn (+67%)
- EBIT: ₹360 mn | Margin: 11.3%
- Scaling automation and manufacturing services for marquee domestic and global clients.

Financial Summary

Y/E Mar (Rs mn)	FY24	FY25	FY26e	FY27e
Net sales	5,13,180	6,06,400	7,89,072	9,25,174
EBIDTA	55,260	58,780	82,765	1,06,700
Margins (%)	10.8	9.7	10.5	11.5
Adjusted net profit	34,960	33,370	50,911	68,302
EPS (Rs)	39.3	37.5	57.2	76.7
P/E (x)	108.1	113.3	74.3	55.4
EV/EBITDA (x)	69.6	65.9	46.8	36.4
RoCE (%)	25.2	21.1	26.1	28.8
RoE (%)	37.2	28.7	32.3	32.2

Source : Company, Dalal & Broacha Research

Valuation & Outlook

Titan's Q3FY26 performance reflects strong festive and wedding-led demand translating into 40% revenue growth and sharp operating leverage, particularly in jewellery (+42% YoY ex-bullion). Despite elevated gold prices, the company protected growth through calibrated pricing, exchange-led programs and accessible product interventions (lower caratage, lightweighting). Importantly, buyer metrics, studded mix resilience and strong YTD Q4 commentary suggest demand elasticity remains intact. Watches delivered margin expansion driven by analog premiumisation, while EyeCare and TEAL supported diversification with steady profitability. Balance sheet strength and inventory funding capability continue to structurally differentiate Titan versus the unorganized trade.

At CMP, Titan trades at 74x FY26E EPS of ₹57 and 55x FY27E EPS of ₹77. We value the company at 60x FY27E earnings, implying a target price of ₹4,620. While earnings visibility remains strong and competitive positioning continues to strengthen, current valuations adequately capture medium-term growth. We maintain a HOLD recommendation.

Conference Concall KTA**M&A and Consolidation**

- 67% stake acquisition of Damas completed; consolidation effective 1 Jan 2024 — Q4 will reflect the merged entity.

Jewellery: Scaling Growth Amid Gold Inflation

- Standalone jewelry revenue +42% YoY — materially ahead of other segments.
- Demand current YTD Jan 2026 for Q4 has been strong.
- Strategy prioritizes absolute EBIT/PBT growth and customer addition over % margins in a high gold price environment.
- **Standalone normalized EBIT margin lower by ~50 bps YoY due to:**
 - Studded margin dilution from elevated gold prices
 - Higher coin salience (mix impact)
 - Incremental marketing investments
 - Passing on making charges becomes gradual in rising gold price environment
 - What helped: Wedding season + successful Mriganka collection and high-value studded exhibitions were primary drivers of "irrational desire" and "bumper" performance in Q3.
 - What didn't: Higher gold prices pushed customers toward lesser complex products.
- **Accessibility Pivot to Sustain Demand**
 - Caratage expansion: 18kt in North/East; 14kt (Tanishq) and 9kt (CaratLane/Mia) scaling up.
 - Lightweighting through segregated manufacturing lines to maintain entry price points.
 - Strategic collections (Mriganka) and high-value studded exhibitions drove strong festive traction.

Conclusion: Titan is tactically sacrificing margin percentage to defend volumes, widen its consumer funnel and protect long-term category leadership.

Consumer Metrics: Demand Quality Holding

- Total buyer growth flattish; studded buyer growth outpaced gold buyers.
- New buyer contribution at 45% (vs 42% QoQ; 48% YoY).
- Record ATV at ₹1.9 lakhs:
 - Plain gold ticket +44% YoY (gold price-led)
 - Studded ticket +15% YoY

Clear FOMO-led demand during festive/wedding season as consumers deferred expectation of gold price correction.

Conclusion: Ticket growth remains inflation-supported, but consumer intent and studded traction indicate underlying resilience.

International Jewellery

- Adjusted margins at 5-6% (normalizing ₹194-200 crore one-time Damas primary sale).
- by-store evaluation underway for Damas-to-Tanishq conversions.

Jewelry Purchase Plans & Exchange: Embedded Loyalty Engine

- JPP schemes contribute 20-25% of total business.
- Shift toward grammage-based “Golden Advantage” (better inflation hedge) vs value-based Golden Harvest.
- 50% of business now includes exchange (Tanishq/non-Tanishq gold).
- Conclusion: Structured schemes and exchange ecosystem strengthen loyalty, improve repeat purchases and hedge consumer inflation risk.

Subsidiaries & Segmental Highlights

- CaratLane: 85-90% studded mix; recovered to low double-digit EBIT margins post Q1 gold shock via scale and cost control.
- EyeCare: Volume +8%, ASP +5-6% led by premiumisation and global brands.
- TEAL (Engineering): Margin volatility due to Percentage Completion accounting; strong order book supports forward visibility.

Structural Competitive Advantages

- Balance sheet strength a key moat — rising gold inventory funding costs creating entry barriers for unorganized players.
- Titan’s model of supplying gold to vendor ecosystem reduces supply chain volatility risk.
- Strong traction among younger consumers via Mia and CaratLane — gold continues to function as both adornment and investment.

Overall View

Titan is using gold volatility to consolidate market leadership — defending growth while widening its consumer moat.

Margin pressure remains tactical, with structural competitive advantages strengthening in a high-cost environment.

Quarterly Financials

Particulars (Rs Mns)	3QFY26	3QFY25	YoY Growth (%)	2QFY26	QoQ Growth (%)
Sale of products/services	2,49,150	1,75,500	42.0%	1,64,610	51.4%
Other operating revenues	5,010	1,900	163.7%	22,640	-77.9%
Total Operating Revenues	2,54,160	1,77,400	43.3%	1,87,250	35.7%
Other income	1,510	1,280	18.0%	1,120	34.8%
Total Income	2,55,670	1,78,680	43.1%	1,88,370	35.7%
Total RM Cost	2,03,870	1,40,830	44.8%	1,47,090	38.6%
RM to Op Revenue	78.50%	79.39%		78.55%	
Employee benefits expense	6,460	5,550	16.4%	6,160	4.9%
Advertising	4,050	3,710	9.2%	4,080	-0.7%
Ad Spends to OP Revenue	1.59%	2.09%		2.18%	
Other expenses	12,650	10,570	19.7%	11,170	13.2%
O. Exps to Op Revenue	4.98%	5.96%		5.97%	
EBITDA (exc. OI)	27,130	16,740	62.1%	18,750	44.7%
EBITDA Margin	10.67%	9.44%		10.01%	
Depreciation	2,070	1,750	18.3%	1,890	9.5%
PBIT	26,570	16,270	63.3%	17,980	47.8%
Interest	2,820	2,310	22.1%	2,770	1.8%
PBT	23,750	13,960	70.1%	15,210	56.1%
Total Tax	5390	3,490	54.4%	4,020	34.1%
Tax Rate	22.7%	25.0%		26.4%	
PAT	16,840	10,470	60.8%	11,200	50.4%
Exceptional item	1,520.00				
Share of profit from JV/ Associate		-		10	
Minority Interest		-	0.0%	-	0.0%
Adjusted PAT	17,765	10,470	69.7%	11,200	58.6%
NPM	6.95%	5.86%		5.95%	
Equity	887	890		887	
FV	1	1		1	
EPS	20.03	11.76	70.2%	12.63	58.6%
Segmental Revenues					
Watches	12,950	11,370	13.9%	14,770	-12.3%
%Growth	13.9%	15.3%		13.3%	
% to Operating Income	5.1%	6.4%		7.8%	
Jewellery	2,34,920	1,61,340	45.6%	1,65,220	42.2%
%Growth	45.6%	26.6%		29.4%	
% to Operating Income	91.9%	90.3%		87.7%	
Eyeware	2,310	1,960	17.9%	2,200	5.0%
%Growth	0.18	0	0.0%	8.9%	0.0%
% to Operating Income	0.9%	1.1%		1.2%	
Others	4,570	3,120	46.5%	5,570	-18.0%
%Growth	0.46	(0)	0.0%	85.0%	0.0%
% to Operating Income	1.8%	1.7%		3.0%	
Corporate (unallocated)	920	890	3.4%	610	50.8%
% to Operating Income	0.4%	0.5%		0.3%	
Total	2,55,670	1,78,680	43.1%	1,88,370	35.7%
PBIT Margins:					
Watches	12.0%	9.50%		16.11%	
Jewellery	10.5%	9.24%		9.12%	
Eyeware	10.4%	10.20%		5.45%	
Others	2.2%	0.32%		12.57%	

Source: Dalal & Broacha Research

Financials

P&L (Rs mn)	FY23	FY24	FY25	FY26e	FY27e
Net Sales	4,05,750	5,13,180	6,06,400	7,89,072	9,25,174
Operating Expenses	(3,03,550)	(3,94,320)	(4,74,560)	(6,23,192)	(7,21,635)
Employee Cost	(16,470)	(18,640)	(21,560)	(25,184)	(28,962)
Other Expenses	(36,940)	(44,960)	(51,500)	(57,932)	(67,877)
Operating Profit	48,790	55,260	58,780	82,765	1,06,700
Depreciation	(4,410)	(5,840)	(6,930)	(7,882)	(8,180)
PBIT	44,380	49,420	51,850	74,883	98,520
Other income	3,080	2,990	3,020	4,764	4,930
Interest	(3,000)	(6,190)	(9,530)	(11,611)	(12,174)
PBT	44,460	46,220	45,340	68,036	91,276
Profit before tax (post exceptional)	44,460	46,220	45,340	68,036	91,276
Provision for tax	(11,730)	(11,270)	(11,980)	(17,125)	(22,974)
Reported PAT	32,730	34,950	33,360	50,911	68,302
MI	(240)	-	-	-	-
Net Profit	32,490	34,950	33,360	50,911	68,302
Adjusted Profit (excl Exceptionals)	32,500	34,960	33,370	50,911	68,302
Balance Sheet	FY23	FY24	FY25	FY26e	FY27e
Equity capital	890	890	890	890	890
Reserves	1,17,620	93,040	1,15,350	1,56,588	2,11,229
Net worth	1,18,510	93,930	1,16,240	1,57,478	2,12,119
MI	530	-	-	-	-
Non Current Liabilities	18,550	56,280	32,300	32,539	32,798
Current Liabilities	1,32,640	1,65,290	2,57,930	2,97,412	3,42,644
TOTAL LIABILITIES	2,70,230	3,15,500	4,06,470	4,87,429	5,87,561
Non Current Assets	46,160	59,420	62,130	81,028	84,274
Fixed Assets	30,190	36,830	40,440	58,120	60,370
Goodwill	1,230	1,230	1,230	1,230	1,230
Non Current Investments	3,510	6,790	6,510	6,510	6,510
Deferred Tax Asset	1,580	1,870	1,700	1,700	1,700
Long Term Loans and Advances	540	720	620	713	820
Other Non Current Assets	9,110	11,980	11,630	12,755	13,644
Current Assets	2,24,070	2,56,080	3,44,340	4,06,401	5,03,287
Current investments	21,640	16,660	13,370	13,370	16
Inventories	1,65,840	1,90,510	2,81,840	3,40,471	4,43,576
Trade Receivables	6,740	10,180	10,680	13,107	15,368
Cash and Bank Balances	13,430	15,260	15,840	14,189	16,099
Short Term Loans and Advances	1,350	2,810	440	484	532
Other Current Assets	15,070	20,660	22,170	24,778	27,695
TOTAL ASSETS	2,70,230	3,15,500	4,06,470	4,87,429	5,87,561

Cash Flow St. (Rs. mn)	FY23	FY24	FY25	FY26e	FY27e
Net Profit	32,500	34,960	33,370	50,911	68,302
Add: Dep. & Amort.	4,410	5,840	6,930	7,882	8,180
Cash profits	36,910	40,800	40,300	58,793	76,482
(Inc)/Dec in					
-Sundry debtors	(1,090)	(3,440)	(500)	(2,427)	(2,261)
-Inventories	(29,750)	(24,670)	(91,330)	(58,631)	(1,03,105)
-Loans/advances	2,760	(1,640)	2,470	(137)	(155)
- Other Current Assets	(5,320)	(7,840)	(2,250)	(3,733)	(3,805)
'-Current Liab and					
Provisions	12,490	6,810	10,650	6,283	6,918
Sundry Creditors	(800)	1,960	5,530	5,294	3,937
Change in working capital	(21,710)	(28,820)	(75,430)	(53,353)	(98,471)
CF from Oper. activities	15,200	11,980	(35,130)	5,440	(21,990)
CF from Inv. activities	(31,750)	(10,780)	(6,960)	(25,562)	2,924
CF from Fin. activities	14,250	630	42,680	18,471	20,975
Cash generated/(utilised)	(2,300)	1,830	590	(1,651)	1,910
Cash at start of the year	15,730	13,430	15,260	15,840	14,189
Cash at end of the year	13,430	15,260	15,840	14,179	16,089
Ratios	FY23	FY24	FY25	FY26e	FY27e
OPM	12.0	10.8	9.7	10.5	11.5
NPM	7.95	6.77	5.48	6.41	7.34
Tax rate	(26.4)	(24.4)	(26.4)	(25.2)	(25.2)
Growth Ratios (%)					
Net Sales	40.9	26.5	18.2	30.1	17.2
Operating Profit	46.0	13.3	6.4	40.8	28.9
PBIT	50.8	11.4	4.9	44.4	31.6
PAT	45.9	7.6	(4.5)	52.6	34.2
Per Share (Rs.)					
Net Earnings (EPS)	37	39	37	57	77
Cash Earnings (CPS)	41.5	45.8	45.3	66.1	85.9
Dividend	10.0	11.8	11.2	10.9	15.3
Book Value	133.2	105.5	130.6	176.9	238.3
Free Cash Flow	12.7	(9.6)	(33.8)	15.6	(14.6)
Valuation Ratios					
P/E(x)	116.3	108.1	113.3	74.3	55.4
P/B(x)	31.9	40.3	32.5	24.0	17.8
EV/EBIDTA(x)	77.5	69.6	65.9	46.8	36.4
Div. Yield(%)	0.2	0.3	0.3	0.3	0.4
FCF Yield(%)	0.3	(0.2)	(0.8)	0.4	(0.3)
Return Ratios (%)					
ROE	27%	37%	29%	32%	32%
ROCE	28%	25%	21%	26%	29%

Source: Dalal & Broacha Research, Company

Disclaimer

Dalal & Broacha Stock Broking Pvt Ltd, hereinafter referred to as D&B (CINU67120MH1997PTC111186) was established in 1997 and is an integrated financial services player offering an extensive range of financial solutions and services to a wide spectrum of customers with varied needs ranging from equities to mutual funds to depository services.

D&B is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE). D&B along with its affiliates offers the most comprehensive avenues for investments and is engaged in the securities businesses including stock broking (Institutional and retail), depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.dalal-broacha.com

D&B is registered as Research Analyst with SEBI bearing registration Number INH000001246 as per SEBI (Research Analysts) Regulations, 2014.

D&B hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in any time in the past. It has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on D&B for certain operational deviations in routine course of business.

D&B offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by D&B (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

D&B or its associates may have financial interest in the subject company.

D&B or its associates do not have any material conflict of interest in the subject company.

The Research Analyst or Research Entity (D&B) has not been engaged in market making activity for the subject company.

D&B or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report.

Disclosures in respect of Research Analyst:

Whether Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report:	No
Whether the Research Analyst or his/her relative's financial interest in the subject company.	No
Whether the research Analyst has served as officer, director or employee of the subject company	No
Whether the Research Analyst has received any compensation from the subject company in the past twelve months	No
Whether the Research Analyst has managed or co-managed public offering of securities for the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation or other benefits from the subject company or third party in connection with the research report	No

D&B and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject D&B or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to D&B. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of D&B. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of D&B or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021.

Tel: 91-22- 2282 2992 | E-mail: equity.research@dalal-broacha.com