

HOLD

TP: Rs 4,683 | ▲ 10%

TITAN COMPANY

| Retail

| 11 February 2026

Jewellery strength sustains momentum; rich valuation caps upside

- Jewellery-led growth (46% YoY; 32% SSSG) drove a sharp Q3 beat, with operating leverage expanding EBIT margins, despite gold volatility
- Higher ticket size (~Rs 0.19mn), >50% exchange mix and improving international margins sustain earnings momentum
- Estimates raised on structural gains; maintain HOLD with TP of Rs 4,683 at 60x Dec'27E

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Strong Q3: TTAN reported 43.3% YoY revenue growth in Q3FY26, beating our estimate by 11.9%. EBITDA rose 62.1% YoY (13.0% beat) with margin expanding 124bps YoY to 10.7% on operating leverage. APAT grew 71.8% YoY, 19.4% ahead of estimates, reflecting robust jewellery performance and improved profitability across segments.

Highlights: Earnings beat was primarily driven by strong jewellery growth (+45.6% YoY), supported by 32% SSSG and festive/wedding-led demand despite elevated gold prices. Growth was largely ticket-size driven (~Rs 0.19mn for the quarter), with plain gold ticket size increasing 44% vs 15% in studded. Jewellery EBIT grew 66% YoY, with margin expanding 130bps to 10.5% on operating leverage. Watches delivered steady 14% revenue growth with ~255bps margin expansion, while international jewellery margins improved meaningfully (5–6% underlying), partly aided by one-time Damas-related benefits.

Concall KTAs: Management reiterated resilient jewellery demand despite gold volatility, supported by wedding buying and >50% exchange participation. Q4 trends remain gold-price sensitive. Accessibility initiatives (lightweight/lower-karat) continue. International jewellery margins (~5–6%, ex one-offs) are improving, with Damas consolidated from Jan'26 and selective store conversions underway. Net debt went up on working capital and acquisition funding, with leverage expected to ease as earnings scale up.

Maintain HOLD; raise TP by 10% to Rs 4,683: We have revised our revenue and EBITDA estimates for FY27E/28E by 2.4/2.7 and 3.9/8.5, driven by structural market share gains in jewellery, premiumisation-led ticket size expansion and improving profitability across watches and international operations. We estimate Revenue/EBITDA CAGR to be 12.2%/16.4% over FY26-28E, respectively. Our numbers build in 19.0% EPS CAGR over FY26-27E. We maintain HOLD rating with TP of Rs 4,683 per share. Our target P/E multiple remains unchanged at 60x (Dec'27).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	TTAN IN/Rs 4,249
Market cap	US\$ 41.7bn
Free float	47%
3M ADV	US\$ 40.2mn
52wk high/low	Rs 4,378/Rs 2,925
Promoter/FPI/DII	53%/16%/14%

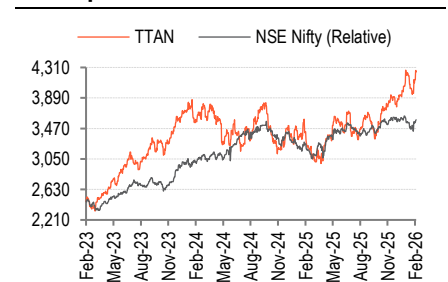
Source: NSE | Price as of 11 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	6,04,560	7,78,182	8,63,368
EBITDA (Rs mn)	56,940	84,102	97,124
Adj. net profit (Rs mn)	33,370	52,726	60,921
Adj. EPS (Rs)	37.5	59.2	68.5
Consensus EPS (Rs)	37.5	54.7	66.8
Adj. ROAE (%)	31.8	39.1	34.9
Adj. P/E (x)	113.3	71.7	62.1
EV/EBITDA (x)	68.6	46.9	40.6
Adj. EPS growth (%)	(4.5)	58.0	15.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly performance – Consolidated

Particulars	Q3FY26	Q3FY25	% chg	Q2FY26	% chg	9MFY26	9MFY25	% chg	BOBCAPS Q3FY26E	Variance (%)
Total operating income	254.2	177.4	43.3	187.3	35.7	606.6	455.4	33.2	227.0	11.9
Raw-Material expense	203.9	140.8	44.8	147.1	38.6	479.1	359.4	33.3		
Gross Profit	50.3	36.6	37.5	40.2	25.2	127.6	96.0	32.9		
Employee expense	6.5	5.6	16.4	6.2	4.9	18.5	16.0	16.0		
Advertisement expense	4.1	3.7	9.2	4.1	(0.7)	11.4	9.9	15.5		
Other expense	12.7	10.6	19.7	11.2	13.2	33.5	28.6	17.1		
EBITDA	27.1	16.7	62.1	18.8	44.7	64.2	41.6	54.4	24.0	13.0
D&A	2.1	1.8	18.3	1.9	9.5	5.8	5.1	13.7		
EBIT	25.1	15.0	67.2	16.9	48.6	58.4	36.5	60.1		
Interest cost	2.8	2.3	22.1	2.8	1.8	8.3	7.0	18.4		
Non-operating expense/(income)	0.0	(1.3)	(100.8)	(1.1)	(100.9)	(2.2)	(3.7)	(41.5)		
PBT	22.2	14.0	59.2	15.2	46.1	52.3	33.2	57.5		
Tax	5.4	3.5	54.4	4.0	34.1	13.3	8.5	56.3		
Reported PAT	16.8	10.5	60.8	11.2	50.4	39.0	24.7	57.9		
As % of net revenues			chg (bps)		chg (bps)			chg (bps)		
Gross margin	19.8	20.6	(83)	21.4	(166)	21.0	21.1	(5)		
Employee cost	2.5	3.1	(59)	3.3	(75)	3.1	3.5	(45)		
Advertisement cost	1.6	2.1	(50)	2.2	(59)	1.9	2.2	(29)		
Other cost	5.0	6.0	(98)	6.0	(99)	5.5	6.3	(76)		
EBITDA margin	10.7	9.4	124	10.0	66	10.6	9.1	145		
Tax rate	24.2	25.0	(75)	26.4	(217)	25.5	25.7	(20)		
APAT margin	7.1	5.9	118	6.0	110	6.6	5.4	120		

Source: Company, BOBCAPS Research

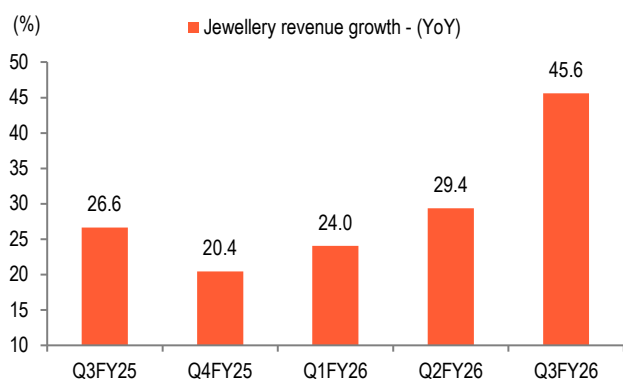
Fig 2 – Segment financials

Particulars	Q3FY26	Q3FY25	% chg	Q2FY26	% chg	9MFY26	9MFY25	% chg
Revenue (Rs bn)								
Jewellery	234.9	161.3	45.6	165.2	42.2	546.6	407.1	34.3
Watches	13.0	11.4	13.9	14.8	(12.3)	40.5	34.6	16.8
Eyewear	2.3	2.0	17.9	2.2	5.0	6.9	6.1	13.3
Others	4.6	3.1	46.5	5.6	(18.0)	14.3	8.9	60.6
Total	255.7	178.7	43.1	188.4	35.7	610.3	459.1	32.9
EBIT								
Jewellery	24.8	14.9	66.1	15.1	64.3	53.9	35.7	51.1
Watches	1.6	1.1	44.4	2.4	(34.5)	6.8	4.2	64.1
Eyewear	0.2	0.2	20.0	0.1	100.0	0.6	0.6	(8.2)
Others	0.1	0.0	900.0	0.7	(85.7)	1.4	(0.2)	(883.3)
Total	25.1	15.0	67.2	16.9	48.6	58.4	36.5	60.1
EBIT margin								
Jewellery	10.5	9.2	130	9.1	142	9.9	8.8	36
Watches	12.0	9.5	255	16.1	(407)	16.8	12.0	413
Eyewear	10.4	10.2	19	5.5	494	8.1	10.0	(458)
Others	2.2	0.3	187	12.6	(1038)	9.9	(2.0)	1459
Total	9.8	8.4	141	9.0	85	9.6	7.9	101

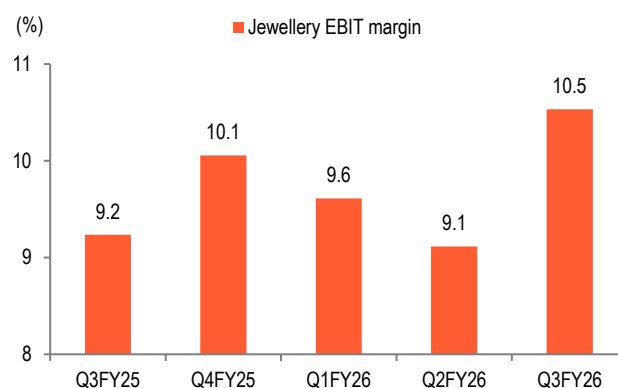
Source: Company, BOBCAPS Research

Earnings Call Highlights

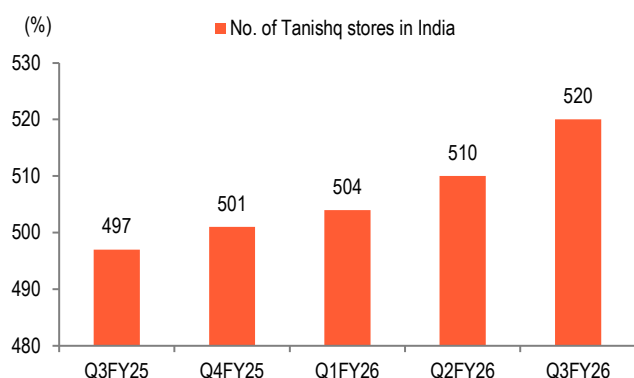
- **Jewelry demand scenario:** Jewelry demand remained strong in Q3FY26, despite elevated gold price volatility, supported by festive and wedding-led buying and a “fear of missing out” effect. Wedding demand was resilient, given its non-discretionary nature. Over 50% of sales involved gold-for-gold exchange. New buyer contribution improved sequentially to 45% (vs 42% in Q2FY26; 48% in Q3FY25). Average ticket size increased to Rs 0.19mn, while sub-Rs 0.1mn studded demand remained soft, albeit showing early stabilisation.
- **Jewelry performance:** Jewellery division delivered a strong 45.6% YoY growth in Q3FY26, supported by 32% SSSG and festive-led demand. Growth was largely driven by the ticket-size, with average ticket size hovering ~Rs 0.17mn on a steady basis (~Rs 0.19mn for the quarter). Plain gold ticket size rose 44% vs 15% growth in studded; reflecting gold price-led inflation and mix shift. Despite higher gold coin salience and mix volatility, jewellery EBIT grew 66.1% YoY, with margin expanding 130bps to 10.5% aided by operating leverage and disciplined cost control. In order to maintain accessibility, management expanded lightweight offerings and introduced calibrated lower-karat formats (18K in select markets; 14K in Tanishq; 9K in Caratlane/Mia).
- **Watch performance:** The watch division reported 14.0% YoY revenue growth in Q3FY26, led by a steady domestic performance (13.2% YoY). Segment EBIT grew 44.4% YoY, with EBIT margin expanding 255bps to 12.0%, supported by operating leverage and improved mix. Management indicated that demand trends remained stable during the quarter.
- **Eyecare performance:** Segment revenue grew by 17.9% YoY (SSG: 11%) in Q3FY26. Segment EBIT margin slightly improved by 19bps YoY to 10.4% in Q3FY26.
- **Damas acquisition:** TTAN completed the acquisition of a 67% stake in Damas, with consolidation effective Jan’26 (to be reflected from Q4FY26). Q3 included a one-time profit impact from Rs 1.94bn of primary sales to two Damas stores being converted to Tanishq; this benefit will not recur. Management indicated selective store conversions will continue based on catchment suitability, though this is not a large-scale transition as Damas will retain its positioning focused on the Arab customer segment. International jewellery margins (excluding the one-time benefit) are currently 5-6% and improving, with mature stores approaching domestic profitability levels.
- **Net Debt:** Net debt increased sequentially during the quarter, with net debt/EBITDA rising to 3.2x (vs 2.7x earlier), largely reflecting higher working capital intensity amid strong festive sales and the initial funding impact related to the Damas acquisition. Management indicated that leverage will normalise gradually as earnings scale up and integration benefits flow through, with no immediate liquidity concerns highlighted.

Fig 3 – Jewelry revenue grew by 45.6% YoY in Q3FY26 on standalone (+40.4%) and Caratlane (+42.2%)


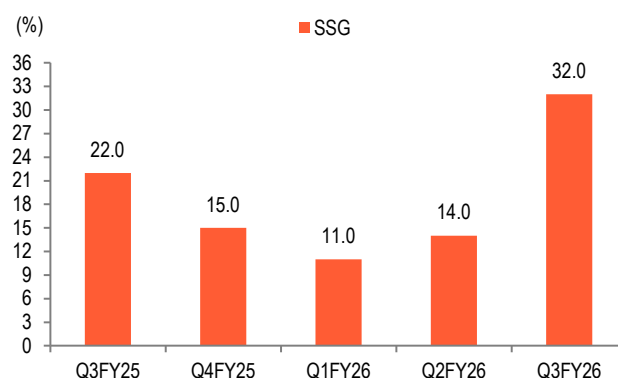
Source: Company, BOBCAPS Research

Fig 4 – Jewelry EBIT margin improved YoY in Q3FY26


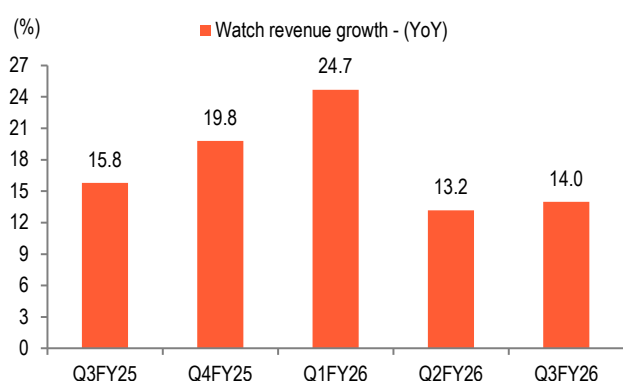
Source: Company, BOBCAPS Research

Fig 5 – TTAN has added 10 Tanishq stores in Q3FY26


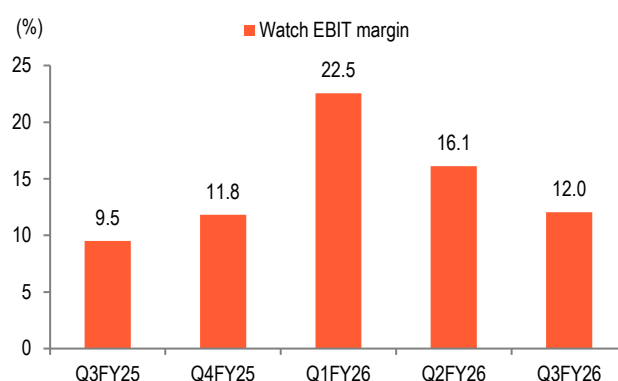
Source: Company, BOBCAPS Research

Fig 6 – Standalone jewelry SSG growth was 32% in Q3FY26


Source: Company, BOBCAPS Research

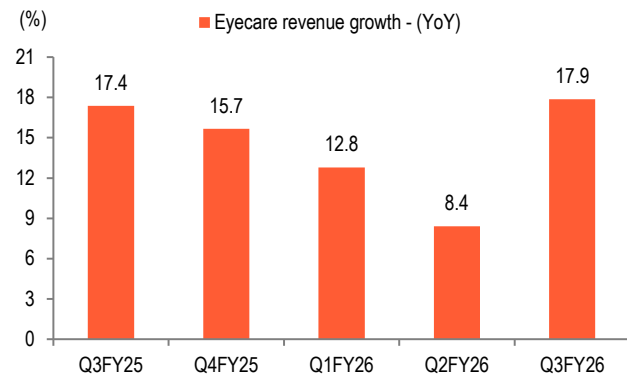
Fig 7 – Watch revenue grew by 14.0% YoY in Q3FY26


Source: Company, BOBCAPS Research

Fig 8 – Watch EBIT margin improved by 254bps YoY to 12.0% in Q3FY26


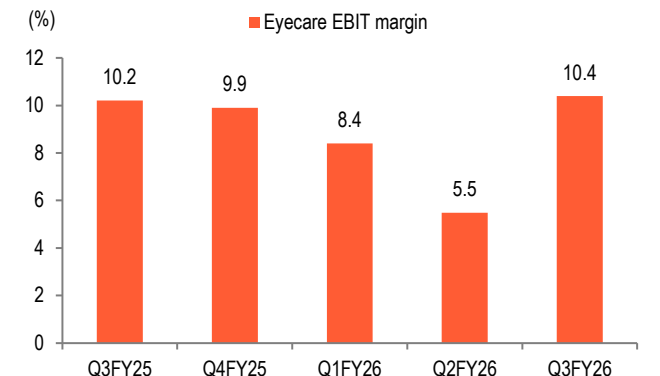
Source: Company, BOBCAPS Research

Fig 9 – Eyecare revenue grew by 17.9% YoY in Q3FY26



Source: Company, BOBCAPS Research

Fig 10 – Eyecare EBIT margin improved by 16bps YoY to 10.4% in Q3FY26



Source: Company, BOBCAPS Research

Valuation Methodology

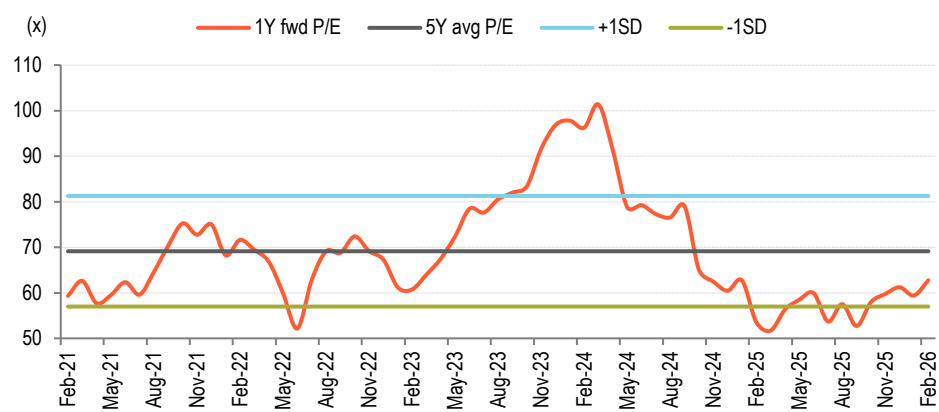
We have revised our revenue and EBITDA estimates for FY27E/28E by 2.4/2.7 and 3.9/8.5, driven by structural market share gains in jewellery, premiumisation-led ticket size expansion and improving profitability across watches and international operations. We estimate Revenue/EBITDA CAGR to be 12.2%/16.4% over FY26-28E, respectively. Our numbers build in 19.0% EPS CAGR over FY26-27E. We maintain HOLD rating with TP of Rs 4,683 per share. Our target P/E multiple remains unchanged at 60x (Dec'27).

Fig 11 – Revised estimates

Consolidated (Rs bn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	778.2	863.4	979.0	755.1	843.1	953.5	3.1	2.4	2.7
EBITDA	84.1	97.1	114.0	80.4	93.5	105.1	4.6	3.9	8.5
EBITDA Margin (%)	10.8	11.2	11.6	10.7	11.1	11.0	16	16	62
Adjusted PAT	52.7	60.9	74.7	48.8	59.7	68.5	8.0	2.0	9.1
EPS (Rs)	59.2	68.5	83.9	54.8	67.1	76.9	8.0	2.0	9.1

Source: BOBCAPS Research

Fig 12 – TTAN stock trades at 62.8x on 1YF P/E vs 5Y average of 69.1x



Source: Bloomberg, BOBCAPS Research

Fig 13 – Key assumptions

Particulars (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue mix					
Jewellery	88.2	88.6	89.3	88.9	88.8
Watches	7.6	7.5	6.8	7.1	7.2
Eyewear	1.4	1.3	1.2	1.2	1.2
Others	2.2	2.1	2.4	2.4	2.4
Revenue growth					
Jewellery	26.8	18.5	29.3	9.9	13.3
Watches	18.7	17.0	16.2	15.2	15.2
Eyewear	5.4	10.3	12.4	15.0	15.1
Others	41.4	12.0	45.8	11.4	11.4
EBITDA margin					
Jewellery (excl. other income)	11.2	9.7	10.7	11.7	11.6
Watches	13.3	15.3	18.3	15.2	14.9
Eyewear	20.2	19.4	17.4	16.7	16.0
Others	5.4	3.1	10.1	3.6	2.3

Source: Company, BOBCAPS Research

Key Risks

- Steep increase in gold price volatility and regulatory risks would be a key downside risk
- Market share gain in the Jewellery business and sharp recovery in performance of Eyewears & emerging business would be key upside risks

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	5,10,840	6,04,560	7,78,182	8,63,368	9,78,953
EBITDA	52,920	56,940	84,102	97,124	1,13,993
Depreciation	5,840	6,930	7,391	7,570	7,713
EBIT	47,080	50,010	76,710	89,554	1,06,280
Net interest inc./(exp.)	(6,190)	(9,530)	(11,762)	(12,664)	(12,524)
Other inc./(exp.)	5,330	4,860	5,190	6,040	6,040
Exceptional items	0	0	0	0	0
EBT	46,220	45,340	70,138	82,930	99,796
Income taxes	11,270	11,980	17,422	22,009	25,119
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	10	10	10	0	0
Reported net profit	34,960	33,370	52,726	60,921	74,677
Adjustments	0	0	0	0	0
Adjusted net profit	34,960	33,370	52,726	60,921	74,677

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	14,100	19,630	26,869	29,810	33,801
Other current liabilities	51,420	61,740	61,740	61,740	61,740
Provisions	1,000	1,550	2,122	2,354	2,669
Debt funds	78,380	1,02,860	1,80,910	1,78,910	1,76,910
Other liabilities	23,260	26,350	26,350	26,350	26,350
Equity capital	890	890	890	890	890
Reserves & surplus	93,040	1,15,350	1,52,258	1,94,903	2,47,177
Shareholders' fund	93,930	1,16,240	1,53,148	1,95,793	2,48,067
Total liab. and equities	2,62,090	3,28,370	4,51,138	4,94,957	5,49,537
Cash and cash eq.	31,920	29,210	6,186	22,233	37,303
Accounts receivables	10,180	10,680	13,747	15,252	17,294
Inventories	1,90,510	2,81,840	3,41,121	3,66,636	4,02,310
Other current assets	20,660	22,170	30,345	33,667	38,175
Investments	6,790	6,510	6,510	6,510	6,510
Net fixed assets	17,370	18,540	16,149	13,579	10,866
CWIP	880	930	930	930	930
Intangible assets	19,800	22,190	22,190	22,190	22,190
Deferred tax assets, net	4,000	2,740	2,740	2,740	2,740
Other assets	10,580	11,220	11,220	11,220	11,220
Total assets	3,12,690	4,06,030	4,51,138	4,94,957	5,49,537

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	16,690	(25,890)	4,416	47,947	50,957
Capital expenditures	(12,480)	(10,540)	(5,000)	(5,000)	(5,000)
Change in investments	(3,280)	280	0	0	0
Other investing cash flows	5,330	4,860	5,190	6,040	6,040
Cash flow from investing	(10,430)	(5,400)	190	1,040	1,040
Equities issued/Others	410	(480)	0	0	0
Debt raised/repaid	56,850	49,170	(50)	(2,000)	(2,000)
Interest expenses	(6,190)	(9,530)	(11,762)	(12,664)	(12,524)
Dividends paid	(9,790)	(9,790)	(15,818)	(18,276)	(22,403)
Other financing cash flows	(50,690)	(790)	0	0	0
Cash flow from financing	(9,410)	28,580	(27,630)	(32,940)	(36,927)
Chg in cash & cash eq.	(3,150)	(2,710)	(23,024)	16,047	15,070
Closing cash & cash eq.	31,920	29,210	6,186	22,233	37,303

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	39.3	37.5	59.2	68.5	83.9
Adjusted EPS	39.3	37.5	59.2	68.5	83.9
Dividend per share	11.0	11.0	17.8	20.5	25.2
Book value per share	105.5	130.6	172.1	220.0	278.7

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	7.5	6.5	5.1	4.6	4.0
EV/EBITDA	72.8	68.6	46.9	40.6	34.5
Adjusted P/E	108.2	113.3	71.7	62.1	50.6
P/BV	40.3	32.5	24.7	19.3	15.2

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	75.6	73.6	75.2	73.5	74.8
Interest burden (PBT/EBIT)	98.2	90.7	91.4	92.6	93.9
EBIT margin (EBIT/Revenue)	9.2	8.3	9.9	10.4	10.9
Asset turnover (Rev./Avg TA)	163.4	148.9	172.5	174.4	178.1
Leverage (Avg TA/Avg Equity)	3.3	3.5	2.9	2.5	2.2
Adjusted ROAE	37.2	28.7	34.4	31.1	30.1

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	25.9	18.3	28.7	10.9	13.4
EBITDA	8.5	7.6	47.7	15.5	17.4
Adjusted EPS	7.6	(4.5)	58.0	15.5	22.6
Profitability & Return ratios (%)					
EBITDA margin	10.4	9.4	10.8	11.2	11.6
EBIT margin	9.2	8.3	9.9	10.4	10.9
Adjusted profit margin	6.8	5.5	6.8	7.1	7.6
Adjusted ROAE	32.8	31.8	39.1	34.9	33.6
ROCE	30.4	25.0	24.5	25.5	26.4

Working capital days (days)

Receivables	7	6	6	6	6
Inventory	136	170	160	155	150
Payables	10	12	13	13	13

Ratios (x)

Gross asset turnover	20.8	21.0	23.7	22.8	22.8
Current ratio	2.3	1.9	1.5	1.6	1.8
Net interest coverage ratio	7.6	5.2	6.5	7.1	8.5
Adjusted debt/equity	1.1	1.3	1.1	0.8	0.6

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

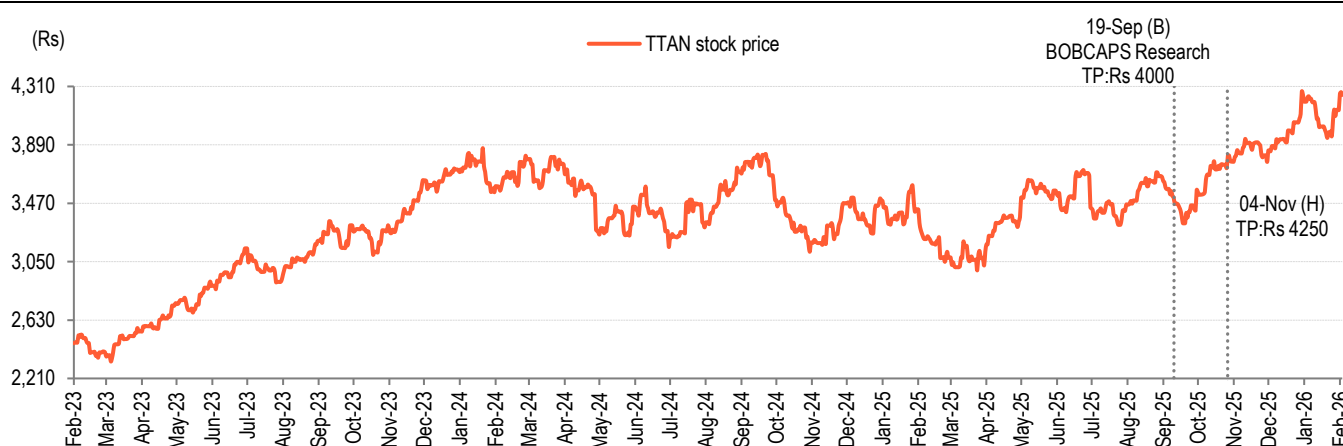
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): TITAN COMPANY (TTAN IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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