

HOLD
 TP: Rs 4,626 | ▲ 3%

TITAN COMPANY

| Retail - Jewellery

| 09 May 2026

Strong growth sustained, but margins stay under pressure

- Buyer growth recovery and bullion-led demand drive 81% revenue growth
- Bullion mix and international weakness weigh on margins, despite strong expansion
- Limited near-term upside due to elevated valuations; maintain HOLD with TP of Rs 4,626 at 60x Mar'28E

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Strong jewellery-led growth continues; margins impacted by mix and international weakness: TTAN reported Q4FY26 revenue growth of 81% YoY (vs +26% est.), driven by a strong jewellery growth (+89% YoY), elevated bullion sales and improving buyer trends. Jewellery SSG stood at 47%, while buyer growth recovered to 8%; supported by wedding demand and exchange-led purchases despite the elevated gold prices. However, EBITDA grew slower at 26% YoY (vs -19% est.), with EBITDA margin contracting 311bps YoY to 7.2%, due to adverse bullion mix and international weakness. Consequently, APAT grew 31% YoY, albeit missing our estimate by 26%.

Store expansion remains strong; CaratLane disruption temporary: Jewellery EBIT margin contracted 278bps YoY to 7.3%, impacted by a higher bullion contribution and international losses amid the GCC disruption and Damas restructuring. During Q4FY26, Titan added 149 net jewellery stores, taking the consolidated jewellery store count to 977. CaratLane growth moderated to 21% YoY due to temporary ERP-related disruptions during Jan-Feb'26, while watches and eyewear grew 8% YoY and 18% YoY, respectively.

Concall KTAs: Management highlighted improving buyer trends, supported by wedding demand, exchange-led purchases and studded jewellery recovery, despite elevated gold prices. The company reiterated its long-term 15-20% jewellery growth aspiration, while indicating that H2FY27 growth will stay contingent on gold-price trends from the current elevated levels. Management also clarified that Q4FY26 margin pressure was largely mix-led, with competitive intensity remaining stable.

Maintain HOLD; cut TP by 1.2% to Rs 4,626: We believe TTAN's growth outlook remains supported by continued market-share gains, healthy buyer additions and strong traction across Tanishq, CaratLane and international jewellery operations. However, the elevated gold prices are increasingly impacting the product mix, with a higher contribution from bullion/plain gold likely to keep jewellery margins range-bound in the near term. We maintain HOLD, valuing the stock at unchanged 60x Mar'28 P/E with a revised TP of Rs 4,626 (earlier Rs 4,683), implying 3% upside.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	TTAN IN/Rs 4,509
Market cap	US\$ 42.5bn
Free float	47%
3M ADV	US\$ 50.0mn
52wk high/low	Rs 4,605/Rs 3,303
Promoter/FPI/DII	53%/16%/14%

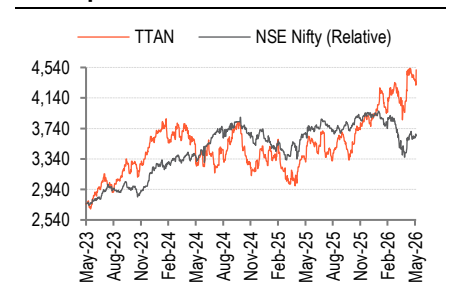
Source: NSE | Price as of 8 May 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	8,75,840	8,99,198	9,99,162
EBITDA (Rs mn)	83,550	96,062	1,09,314
Adj. net profit (Rs mn)	51,483	58,893	68,118
Adj. EPS (Rs)	57.8	66.2	76.5
Consensus EPS (Rs)	57.8	70.5	84.1
Adj. ROAE (%)	37.7	33.0	30.2
Adj. P/E (x)	77.9	68.1	58.9
EV/EBITDA (x)	50.3	43.8	38.0
Adj. EPS growth (%)	54.3	14.4	15.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly performance – Consolidated

Particulars	Q4FY26	Q4FY25	% chg.	Q3FY26	% chg.	FY26	FY25	% chg.	BOBCAPS Q4FY26E	Variance (%)
Total operating income	269.2	149.2	80.5	254.2	5.9	875.8	604.6	44.9	213.3	26.2
Raw-Material expense	224.0	115.2	94.5	203.9	9.9	703.1	474.6	48.2	166.2	34.8
Gross Profit	45.2	34.0	32.9	50.3	(10.1)	172.8	130.0	32.9	47.1	(4.1)
Employee expense	8.3	5.6	48.1	6.5	28.2	26.8	21.6	24.4	6.1	34.7
Advertisement expense	3.9	3.2	23.1	4.1	(2.7)	15.4	13.1	17.4	5.0	(20.7)
Other expense	13.6	9.9	38.2	12.7	7.6	47.1	38.4	22.5	12.0	13.7
EBITDA	19.4	15.4	26.0	27.1	(28.6)	83.6	56.9	46.7	24.0	(19.4)
D&A	2.5	1.8	34.4	2.1	18.8	8.3	6.9	19.2	1.6	54.6
EBIT	16.9	13.5	24.9	25.1	(32.5)	75.3	50.0	50.5	22.4	(24.6)
Interest cost	3.5	2.5	38.9	2.8	24.1	11.8	9.5	23.8	3.5	1.1
Non-operating expense/(income)	(2.4)	(1.2)	102.6	0.0	NA	4.5	(4.9)	(192.8)	(1.5)	55.6
PBT	15.8	12.2	29.4	22.2	(29.1)	68.0	45.3	50.0	20.5	(23.1)
Tax	4.0	3.5	14.7	5.4	(26.2)	17.3	12.0	44.2	5.2	(22.8)
Reported PAT	11.8	8.7	35.2	16.8	(30.0)	50.7	33.4	52.0	15.3	(23.1)
As % of net revenues			chg. (bps)		chg. (bps)			chg. (bps)		
Gross margin	16.8	22.8	(601)	19.8	(300)	19.7	21.5	(178)		
Employee cost	3.1	3.7	(67)	2.5	53	3.1	3.6	(51)		
Advertisement cost	1.5	2.1	(68)	1.6	(13)	1.8	2.2	(41)		
Other cost	5.1	6.6	(155)	5.0	8	5.4	6.4	(98)		
EBITDA margin	7.2	10.3	(311)	10.7	(348)	9.5	9.4	12		
Tax rate	25.3	28.5	(324)	24.2	101	25.4	26.4	(101)		
APAT margin	4.2	5.8	(161)	7.1	(284)	5.9	5.5	36		

Source: Company, BOBCAPS Research

Fig 2 – Segment financials

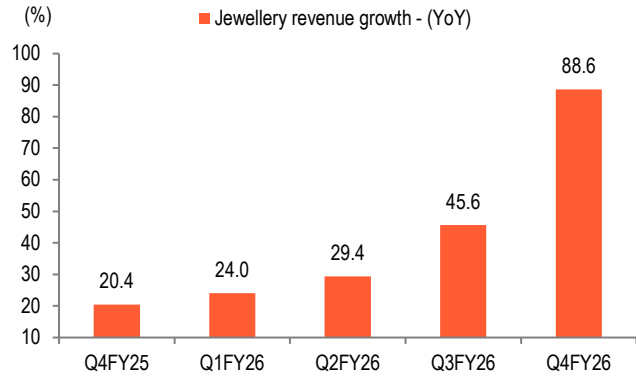
Particulars	Q4FY26	Q4FY25	% chg	Q3FY26	% chg	FY26	FY25	% chg
Revenue (Rs bn)								
Jewellery	250.0	132.5	88.6	234.9	6.4	796.6	539.7	47.6
Watches	12.2	11.3	7.8	13.0	(5.6)	52.7	46.0	14.5
Eyewear	2.3	1.9	17.6	2.3	(1.7)	9.2	8.0	14.4
Others	5.6	3.9	44.7	4.6	21.9	19.9	12.8	55.8
Total	270.8	150.3	80.2	255.7	5.9	881.2	609.4	44.6
EBIT								
Jewellery	18.2	13.3	36.5	24.8	(26.5)	72.1	49.0	47.2
Watches	1.4	1.3	7.5	1.6	(8.3)	8.2	5.5	50.4
Eyewear	0.2	0.2	10.5	0.2	(12.5)	0.8	0.8	(3.8)
Others	0.3	0.3	23.1	0.1	220.0	1.7	0.1	2,062.5
Total	16.9	13.5	24.9	25.1	(32.5)	75.3	50.0	50.5
EBIT margin								
Jewellery	7.3	10.1	(278)	10.5	(326)	9.0	9.1	146
Watches	11.7	11.7	(3)	12.0	(34)	15.6	11.9	13
Eyewear	9.3	9.8	(59)	10.4	(114)	8.4	10.0	40
Others	5.7	6.8	(101)	2.2	356	8.7	0.6	156
Total	6.2	9.0	(276)	9.8	(356)	8.5	8.2	160

Source: Company, BOBCAPS Research

Earnings Call Highlights

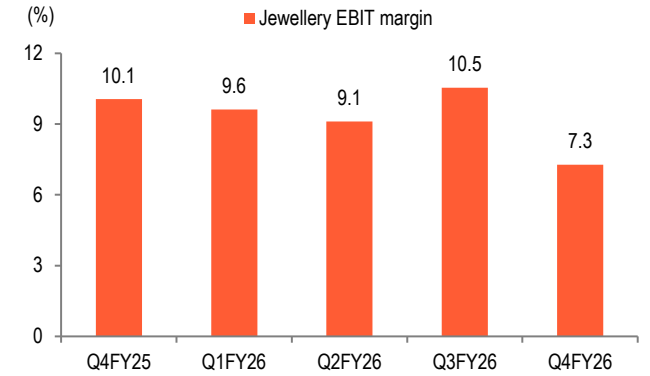
- **Buyer growth recovery broad-based; exchange program becoming structural:** TTAN reported 8% growth in jewellery buying after several muted quarters, driven by returning sideline buyers, preponement of wedding purchases and improving studded jewellery traction. Management highlighted that the exchange program is now embedded across key Tanishq campaigns and is increasingly acting as a structural customer acquisition and conversion tool, especially for wedding buyers and upgraders.
- **Elevated gold prices continue to support demand; affordability initiatives scaling up:** Management indicated that consumers have largely accepted the current gold price levels, with demand remaining healthy across the wedding, adornment and investment-led purchases. The company continues to address affordability through exchange schemes, lightweight jewellery, lower-karat offerings, gram-based purchase plans and newer categories such as natural gemstone jewellery.
- **Growth outlook remains intact, although H2FY27 comparatives become tougher:** Management reiterated its jewellery growth aspiration of 15-20% CAGR over a 3-5 year horizon rather than specific FY27 guidance. Q1FY27 and Q2FY27 are expected to benefit from the elevated gold-price-led ticket-size growth, while H2FY27 growth will depend on gold-price trends from already elevated levels.
- **Margins impacted by mix and international weakness rather than competitive intensity:** Q4FY26 jewellery margins were impacted by an adverse product mix, including higher contribution from coins/plain gold and lower studded mix, along with international business losses. Management indicated that competitive discounting remains broadly stable, while domestic jewellery EBIT margins (11-11.5%) remain sensitive to gold-price-driven mix shifts.
- **International disruption appears temporary; Damas integration progressing well:** Titan reported ~Rs 820 mn of international losses in Q4FY26, due to GCC disruption during Mar'26 and the ongoing restructuring across Damas and Tanishq Middle East operations. However, international business remained operating-profit-positive for FY26 overall. Management indicated Damas performance to be currently tracking ahead of internal expectations.
- **Q4FY26 profitability impacted by multiple one-offs:** Q4FY26 profitability was impacted by: a) ~Rs 1.2 bn employee-linked special reward payout booked under unallocated costs b) ~Rs 820 mn international losses linked to GCC disruption c) ~Rs 800 mn transfer-pricing adjustments related to the newly formalised low-risk distributor structure for international subsidiaries. The transfer-pricing impact gets eliminated at the consolidated level.
- **CaratLane slowdown operational rather than structural; TEAL outlook remains strong:** Management attributed the weaker Caratlane growth in the quarter to temporary ERP migration-related disruptions during Jan-Feb'26, which impacted the fulfilment during the Valentine's period, although Apr'26 trends have normalised. TEAL continues to benefit from the India manufacturing investments, China+1 opportunities and growth across aerospace, defence, automation and electronics segments.

Fig 3 – Jewelry revenue grew by 88.6% YoY in Q4FY26, on standalone (+48%) and CaratLane (+21%)



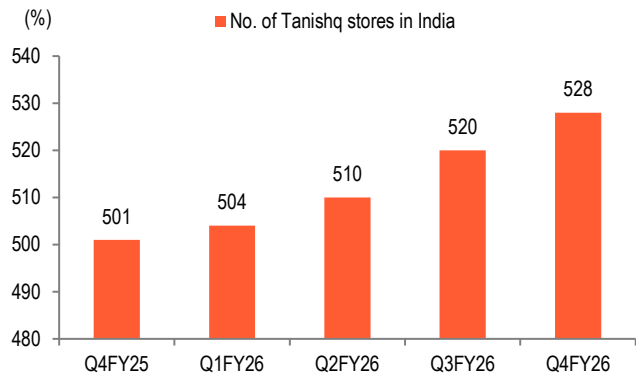
Source: Company, BOBCAPS Research

Fig 4 – Jewellery EBIT margin contracted by 278bps to 7.3% YoY in Q4FY26



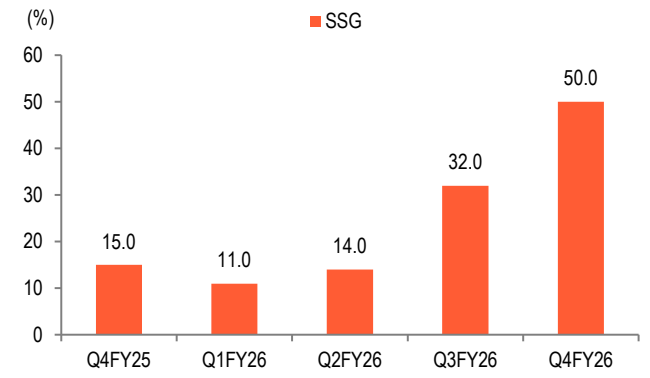
Source: Company, BOBCAPS Research

Fig 5 – TTAN has added 8 Tanishq stores in Q4FY26



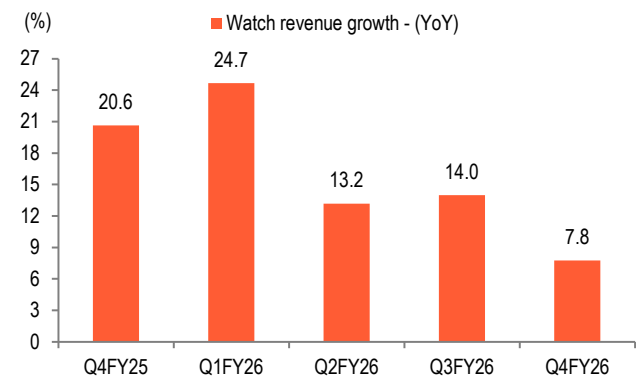
Source: Company, BOBCAPS Research

Fig 6 – Standalone jewellery SSG growth was 50% in Q4FY26



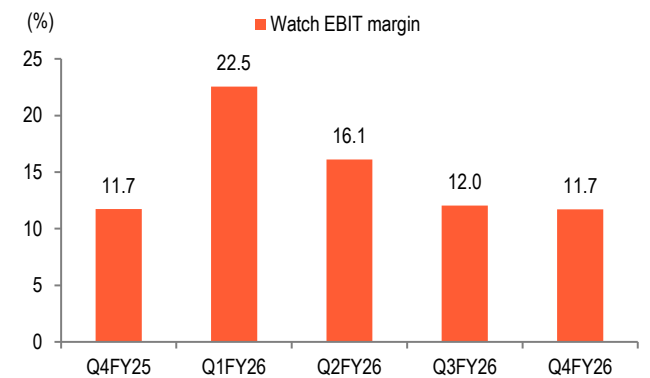
Source: Company, BOBCAPS Research

Fig 7 – Watch revenue grew by 7.8% YoY in Q4FY26



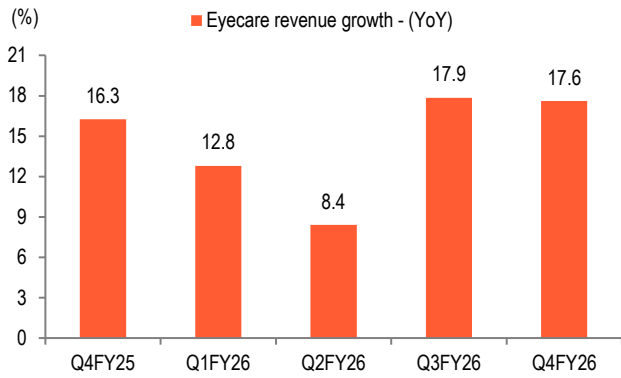
Source: Company, BOBCAPS Research

Fig 8 – Watch EBIT margin remained flat YoY in Q4FY26



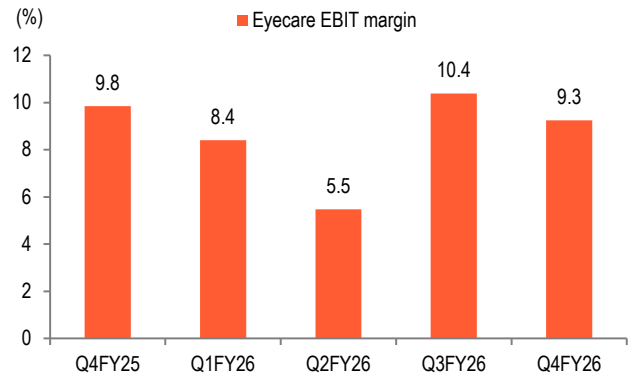
Source: Company, BOBCAPS Research

Fig 9 – Eyecare revenue grew by 17.6% YoY in Q4FY26



Source: Company, BOBCAPS Research

Fig 10 – Eyecare EBIT margin slightly contracted by 59bps YoY to 9.3% in Q4FY26



Source: Company, BOBCAPS Research

Valuation Methodology

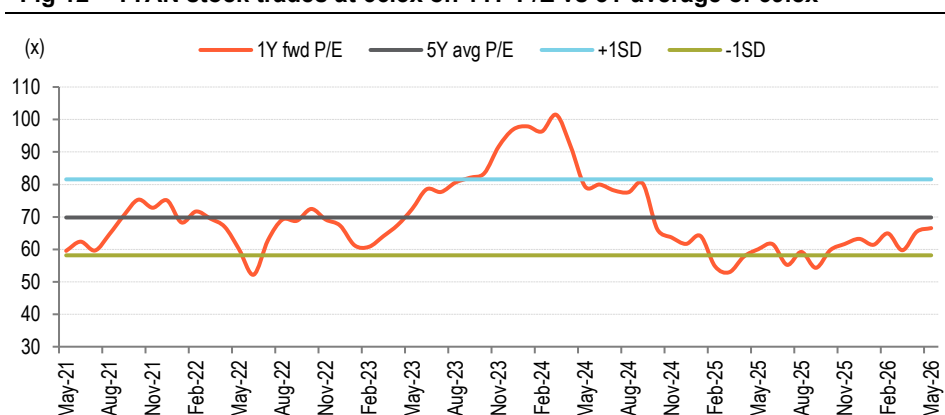
We believe that TTAN's growth outlook remains supported by continued market-share gains, healthy buyer additions and strong traction across Tanishq, CaratLane and international jewellery operations. However, the elevated gold prices are increasingly impacting the product mix, with a higher contribution from bullion/plain gold likely to keep jewellery margins range-bound in the near term. We maintain HOLD, valuing the stock at unchanged 60x Mar'28 P/E with a revised TP of Rs 4,626 (earlier Rs 4,683), implying 3% upside.

Fig 11 – Revised estimates

Consolidated (Rs bn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	899.2	999.2	1172.7	863.4	979.0	NA	4.1	2.1	NA
EBITDA	96.1	109.3	146.2	97.1	114.0	NA	(1.1)	(4.1)	NA
EBITDA Margin (%)	10.7	10.9	12.5	11.2	11.6	NA	(57)	(70)	NA
Adjusted PAT	58.9	68.1	93.5	60.9	74.7	NA	(3.3)	(8.8)	NA
EPS (Rs)	66.2	76.5	105.0	68.5	83.9	NA	(3.3)	(8.8)	NA

Source: BOBCAPS Research

Fig 12 – TTAN stock trades at 66.5x on 1YF P/E vs 5Y average of 69.8x



Source: Bloomberg, BOBCAPS Research

Fig 13 – Key assumptions

Particulars (%)	FY25A	FY26A	FY27E	FY28E	FY28E
Revenue mix					
Jewellery	88.6	90.4	89.8	90.1	90.2
Watches	7.5	6.0	6.3	6.0	6.0
Eyewear	1.3	1.0	1.1	1.2	1.3
Others	2.1	2.3	2.4	2.4	2.2
Revenue growth					
Jewellery	18.5	47.6	1.4	11.5	17.5
Watches	17.0	14.5	7.1	7.0	17.2
Eyewear	10.3	14.4	12.8	12.9	29.9
Others	12.0	55.8	10.1	9.0	9.0
EBITDA margin					
Jewellery (excl. other income)	9.7	9.6	10.0	10.1	11.5
Watches	15.3	18.8	15.9	15.8	16.5
Eyewear	19.4	17.0	16.4	15.9	16.8
Others	3.1	10.4	7.0	9.1	9.4

Source: Company, BOBCAPS Research

Key Risks

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

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	6,04,560	8,75,840	8,99,198	9,99,162	11,72,677
EBITDA	56,940	83,550	96,062	1,09,314	1,46,216
Depreciation	6,930	8,260	11,080	13,028	16,085
EBIT	50,010	75,290	84,982	96,285	1,30,131
Net interest inc./(exp.)	(9,530)	(11,800)	(12,352)	(11,278)	(11,848)
Other inc./(exp.)	4,860	5,520	6,072	6,188	6,806
Exceptional items	0	0	0	0	0
EBT	45,340	69,010	78,702	91,195	1,25,089
Income taxes	11,980	17,280	19,809	23,078	31,621
Extraordinary items	0	1,010	0	0	0
Min. int./Inc. from assoc.	10	10	0	0	0
Reported net profit	33,370	50,730	58,893	68,118	93,468
Adjustments	0	753	0	0	0
Adjusted net profit	33,370	51,483	58,893	68,118	93,468

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	19,630	28,640	30,950	34,391	40,363
Other current liabilities	61,740	92,470	92,470	92,470	92,470
Provisions	1,550	3,270	3,534	3,927	4,608
Debt funds	1,80,960	2,74,480	2,25,550	2,23,550	2,23,550
Other liabilities	26,350	49,720	49,720	49,720	49,720
Equity capital	890	890	890	890	890
Reserves & surplus	1,15,350	1,56,140	1,99,535	2,49,727	3,18,598
Shareholders' fund	1,16,240	1,57,030	2,00,425	2,50,617	3,19,488
Total liab. and equities	4,06,470	6,05,610	6,02,648	6,54,674	7,30,200
Cash and cash eq.	29,210	41,660	76,300	91,075	86,525
Accounts receivables	10,680	9,160	9,404	10,450	12,264
Inventories	2,81,840	4,27,430	3,81,851	4,10,614	4,81,922
Other current assets	22,170	29,050	31,393	34,883	40,941
Investments	6,510	11,050	11,050	11,050	11,050
Net fixed assets	18,540	26,840	32,740	36,692	37,587
CWIP	930	1,350	1,350	1,350	1,350
Intangible assets	22,190	42,380	42,380	42,380	42,380
Deferred tax assets, net	2,740	2,800	2,800	2,800	2,800
Other assets	11,220	13,380	13,380	13,380	13,380
Total assets	4,06,030	6,05,100	6,02,648	6,54,674	7,30,200

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	(25,890)	(20,780)	1,22,328	56,771	42,069
Capital expenditures	(10,540)	(38,520)	(16,980)	(16,980)	(16,980)
Change in investments	280	(4,540)	0	0	0
Other investing cash flows	4,860	4,510	6,072	6,188	6,806
Cash flow from investing	(5,400)	(38,550)	(10,908)	(10,793)	(10,174)
Equities issued/Others	(480)	0	0	0	0
Debt raised/repaid	49,170	93,520	(48,930)	(2,000)	0
Interest expenses	(9,530)	(11,800)	(12,352)	(11,278)	(11,848)
Dividends paid	(9,790)	(13,548)	(15,498)	(17,926)	(24,597)
Other financing cash flows	(790)	3,608	0	0	0
Cash flow from financing	28,580	71,780	(76,780)	(31,203)	(36,445)
Chg in cash & cash eq.	(2,710)	12,450	34,640	14,775	(4,550)
Closing cash & cash eq.	29,210	41,660	76,300	91,075	86,525

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	37.5	57.0	66.2	76.5	105.0
Adjusted EPS	37.5	57.8	66.2	76.5	105.0
Dividend per share	11.0	15.0	17.4	20.1	27.6
Book value per share	130.6	176.4	225.2	281.6	359.0

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	6.8	4.8	4.7	4.2	3.5
EV/EBITDA	72.7	50.3	43.8	38.0	28.4
Adjusted P/E	120.3	77.9	68.1	58.9	42.9
P/BV	34.5	25.6	20.0	16.0	12.6

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	73.6	74.6	74.8	74.7	74.7
Interest burden (PBT/EBIT)	90.7	91.7	92.6	94.7	96.1
EBIT margin (EBIT/Revenue)	8.3	8.6	9.5	9.6	11.1
Asset turnover (Rev./Avg TA)	148.9	144.7	149.2	152.6	160.6
Leverage (Avg TA/Avg Equity)	3.5	3.9	3.0	2.6	2.3
Adjusted ROAE	28.7	32.8	29.4	27.2	29.3

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	18.3	44.9	2.7	11.1	17.4
EBITDA	7.6	46.7	15.0	13.8	33.8
Adjusted EPS	(4.5)	54.3	14.4	15.7	37.2
Profitability & Return ratios (%)					
EBITDA margin	9.4	9.5	10.7	10.9	12.5
EBIT margin	8.3	8.6	9.5	9.6	11.1
Adjusted profit margin	5.5	5.9	6.5	6.8	8.0
Adjusted ROAE	31.8	37.7	33.0	30.2	32.8
ROCE	18.5	18.7	21.4	21.6	25.2
Working capital days (days)					
Receivables	6	4	4	4	4
Inventory	170	178	155	150	150
Payables	12	12	13	13	13
Ratios (x)					
Gross asset turnover	21.0	22.7	16.2	13.8	13.1
Current ratio	1.9	2.1	2.1	2.2	2.5
Net interest coverage ratio	5.2	6.4	6.9	8.5	11.0
Adjusted debt/equity	1.3	1.5	0.7	0.5	0.4

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

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 Name of the Grievance Officer: Mr. Manoj Pawar
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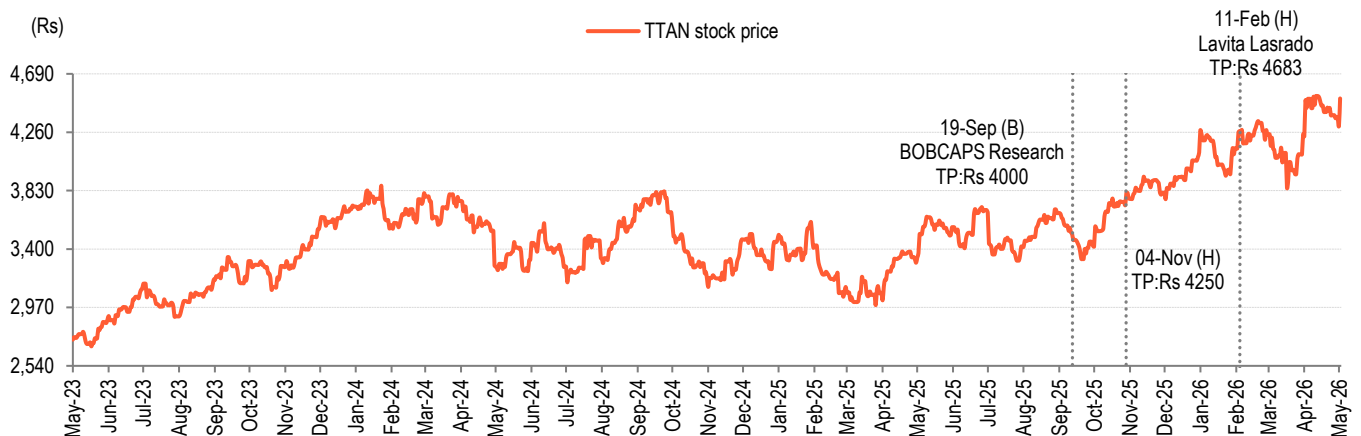
Recommendation scale: Recommendations and Absolute returns (%) over 12 months

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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