

Titan Company Limited

Q2FY26 Result Update | Sector: Jewellery

November 06, 2025





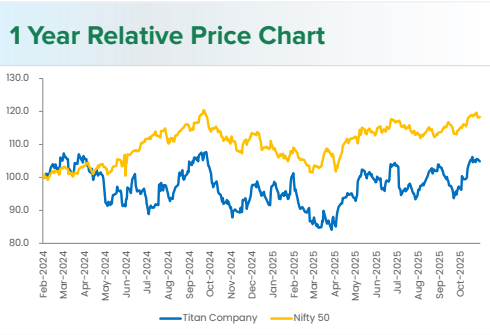
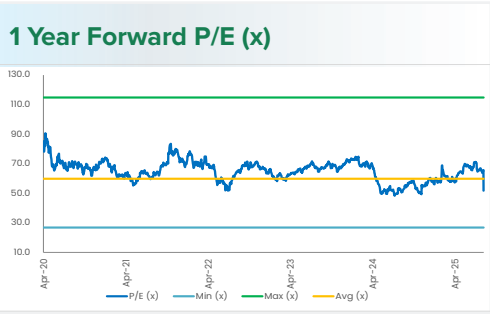
Current Market Price	3,824
Target Price	4,443
Upside	16.2%
Nifty	25,597
Sensex	83,459

Key Stock Data

Company Name	Titan Company Ltd
BSE Code	500114
NSE Code	TITAN
Bloomberg	TTAN:IN
Shares o/s, Cr FV(1)	88.8
Market Cap (Rs Cr)	3,39,489
3M Avg Volume	10,32,885
52 Week H/L	3,867/2,925

Shareholding Pattern

	Mar-25	Jun-25	Sep-25
Promoter	52.9	52.9	52.9
FII	17.8	17.5	16.1
DII	12.0	12.5	14.0
Others	17.3	17.1	17.0



• **Stellar Profit Surge and Revenue Growth:** Titan reported a significant surge in its consolidated Net Profit (PAT), which jumped by 60% YoY to Rs. 1,119 crore. This impressive bottom-line growth was supported by a 28.8% increase in Net Sales to around Rs. 18,725 crore, with the strong performance attributed to an early festive boost, particularly during Navratri.

• **Jewellery Division as the Main Growth Engine:** Titan’s jewellery business delivered strong growth in Q2FY26 with total income up 21% YoY to Rs. 14,092 cr (excluding bullion). Domestic business grew 18% to Rs. 12,460 cr, CaratLane rose 32% to Rs. 1,072 cr, and international jewellery nearly doubled to Rs. 561 cr. EBIT margins stood at 11.1% for domestic, 10.1% for CaratLane, and 2.8% for international. Festive demand, gold exchange offers, and store expansion (34 new stores) drove performance.

• **Robust Margin Expansion:** The company showcased operational excellence, with its EBITDA growing by over 51.7% and the EBITDA margin expanding to 10%. This margin improvement suggests effective cost management and a favorable product mix, successfully converting top-line growth into enhanced profitability.

• **Consistent Retail Network Expansion:** Titan maintained its aggressive retail expansion strategy, adding a net total of 55 new stores during the quarter across all its consumer businesses. This expansion, which included 35 new stores in the Jewellery segment (Tanishq, Mia, CaratLane) and 15 in Watches & Wearables, took its total retail network to over 3,377 stores, further solidifying its pan-India and international reach.

• **Double-Digit Growth in Watches & Wearables:** The Watches & Wearables division delivered a steady 13.3% increase in total income, reaching around Rs. 1,477 crore. This was primarily fueled by robust demand and premiumisation in the analog watch segment, which grew 17%. However, the smart wearables category saw a moderate decline, reflecting broader industry trends, while the segment maintained a healthy EBIT margin of about 16.1%.

• **Accelerating International and Emerging Business Momentum:** The International Business segment saw exceptional growth, with revenue nearly doubling at 84% YoY, driven by Tanishq’s strong performance in the USA and GCC markets. Simultaneously, the Emerging Businesses (Taneira, Fragrances, Women’s Bags) reported a combined 34% growth (with Women’s Bags surging 90%), showcasing the successful diversification efforts and the potential for new growth avenues.

• **Outlook – Cautiously Optimistic Amid Risks:** Titan remains confident of sustaining double-digit growth in FY26 and beyond, particularly for its jewellery business (up to 20% growth is being targeted) though management flags risks from rising gold prices, working capital build-up, and strong base effects. Its ability to hold jewellery EBIT margin guidance (around 11-11.5 %) hinges on stabilising gold price inflation and controlling inventory and cost pressures. Meanwhile, non-jewellery segments are expected to contribute incremental growth and margin improvement. On the financial front, we have estimated its Revenue/EBITDA to grow at 22%/38.9% CAGR over FY25-27E and maintain a **Buy** rating with a revised target price of **Rs. 4,443**.

Financial Summary - Consolidated				
Particulars, INR Cr	FY24	FY25	FY26E	FY27E
Net revenue	51,084	60,456	73,454	89,981
EBITDA	5,292	5,694	8,594	10,978
EBITDAM (%)	10.4	9.4	11.7	12.2
APAT	3,495	3,336	5,385	6,937
APATM (%)	6.8	5.5	7.3	7.7
EPS (Rs)	39.3	37.5	60.5	77.9
PE (x)	97.4	102	63.2	49.1
RoE (%)	32.9	35.1	49.9	53.9
Source : RBL Research				

Research Analyst

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Key Highlights:

- **Strong Growth Drivers Balanced by Cost & Gold-Price Headwinds:** Key structural drivers include rising disposable incomes, premiumisation, category expansion in Tier 2/3 cities and brand momentum. On the flip side, elevated gold prices and commodity/input cost pressure remain important headwinds.
- **Premiumisation & Portfolio Diversification Gaining Traction:** Titan is increasingly shifting consumers toward higher-ticket-size jewellery categories (studded, diamond, premium brands such as Tanishq, Zoya, CaratLane) whilst growing non-jewellery verticals. For example, CaratLane grew 32 % YoY in the quarter and Titan’s emerging businesses (fragrances, women’s bags, ethnic wear) grew 34 % YoY. This strategic pivot is designed to reduce dependency on bullion-heavy plain gold pieces (which carry lower margins) and build margin resilience.
- **Growth Outlook with Cost & Commodity Headwinds:** For FY 26, the jewellery business target is up to 20% growth, but management flags risks such as rising gold prices and working-capital build-up. The success will depend on balancing premiumisation, inventory management, and cost control amid commodity volatility.
- **Rapid International & Retail Footprint Expansion:** The international jewellery business almost doubled during the quarter, and Titan added 55 new stores bringing its total retail network to 3,377 outlets globally. This expansion supports growth beyond India and positions the brand for global scale.
- **Emerging Businesses Gaining Momentum Beyond Core Jewellery:** Titan’s non-jewellery verticals including fragrances, women’s bags, eyewear and accessories—are showing strong growth, underscoring diversification efforts beyond its core jewellery and watch businesses.

Quarterly Performance - Consolidated					
Particulars, INR Cr	Q2FY26	Q2FY25	Y-o-Y (%)	Q1FY26	Q-o-Q (%)
Net sales	18,725	14,534	28.8	16,523	13.3
Material costs	14,709	11,522	27.7	12,811	14.8
Gross Profit	4,016	3,012	33.3	3,712	8.2
Gross Margin (%)	21.4	20.7	72 bps	22.5	-102 bps
Employee cost	616	519	18.7	591	4.2
Other overheads	1,525	1,257	21.3	1,291	18.1
EBITDA	1,875	1,236	51.7	1,830	2.5
EBITDA Margin (%)	10.0	8.5	151 bps	11.1	-106 bps
Depreciation	189	171	10.5	184	2.7
Interest	277	240	15.4	271	2.2
Other income	112	122	(8.2)	105	6.7
PBT	1,521	943	61.3	1,480	2.8
Tax	402	244	64.8	389	3.3
Effective tax rate (%)	26.4	25.9	56 bps	26.3	15 bps
PAT	1,119	699	60.1	1,091	2.6
PAT margin (%)	6.0	4.8	117 bps	6.6	-63 bps
Extra ordinary items	-	1		-	
Reported PAT	1,119	699	60.1	1,091	2.6
EPS (Rs) ex excep. Items	12.6	7.9	58.9	61.3	(79.5)
Source : RBL Research					

Net sales grew by 28.8% YoY and 13.3% QoQ, growth was largely driven by strong demand and an early festive season.

EBITDA margin improved by 151bps YoY but declined 106bps QoQ, aided by improved mix towards higher-margin studded jewellery and operational efficiencies.

PAT increased by 60.1% YoY and 2.6% QoQ.

Cost Analysis - Consolidated					
As a % of net sales	Q2FY26	Q2FY25	Y-o-Y (%)	Q1FY26	Q-o-Q (%)
Material costs	78.6	79.3	(72.0)	77.5	102.0
Employee cost	3.3	3.6	(28.0)	3.6	(29.0)
Other overheads	8.1	8.6	(50.0)	7.8	33.0
Total costs	90.0	91.5	(151.0)	88.9	106.0
Source : RBL Research					

Material costs as a % of sales declined by 102bps QoQ and 72 bps YoY.

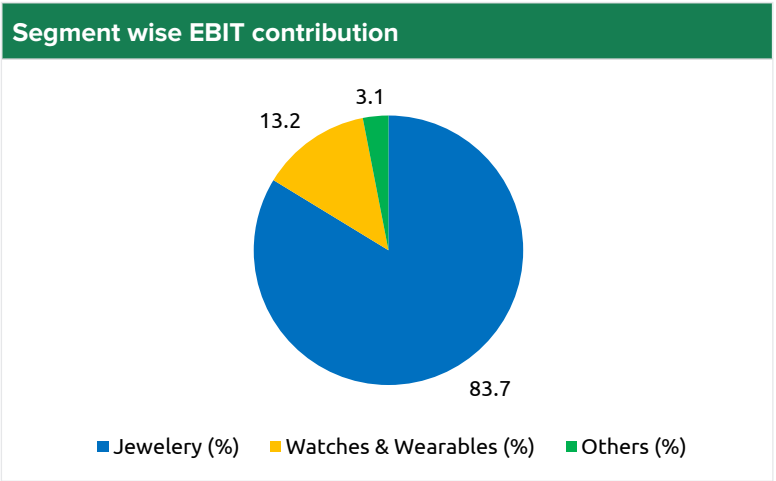
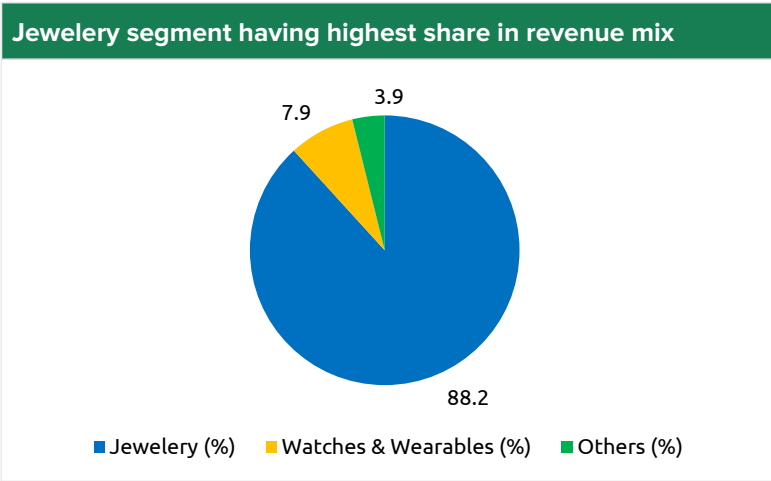
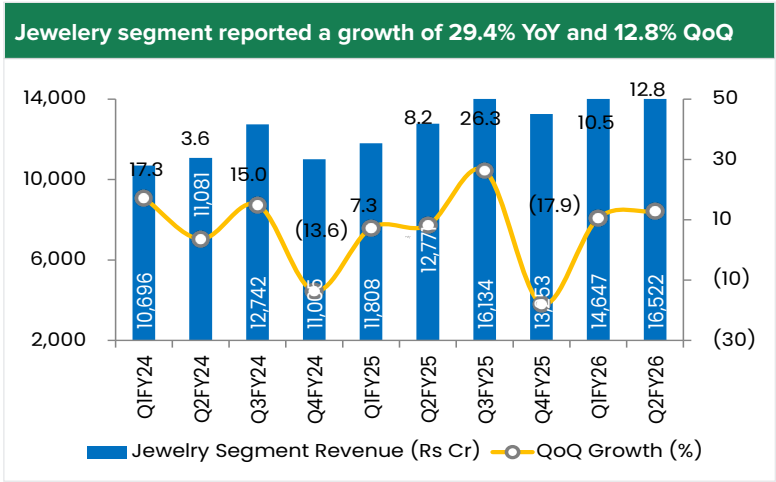
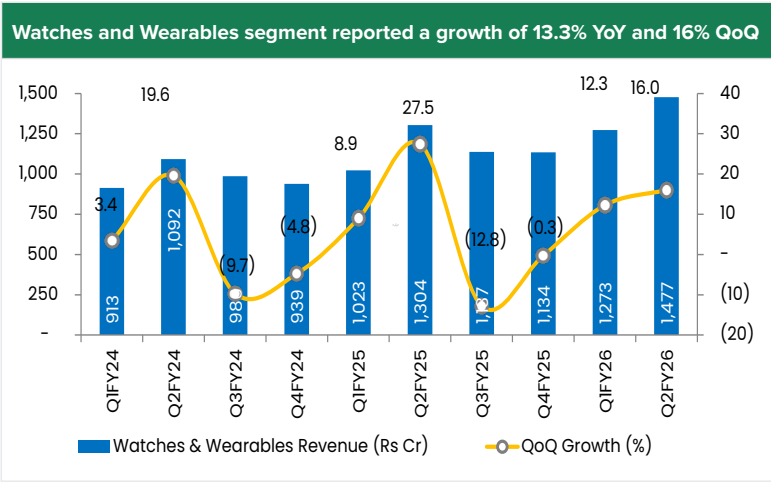
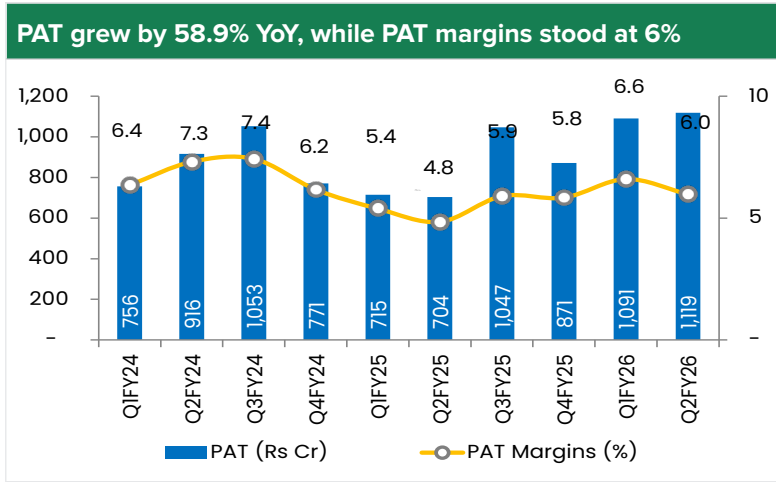
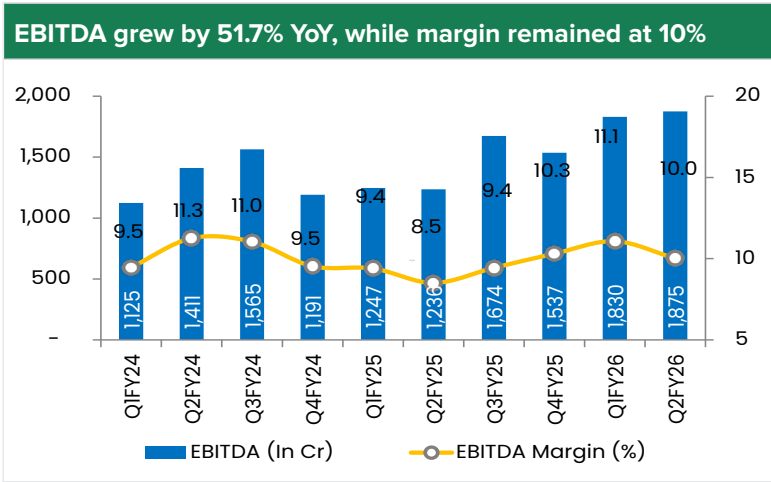
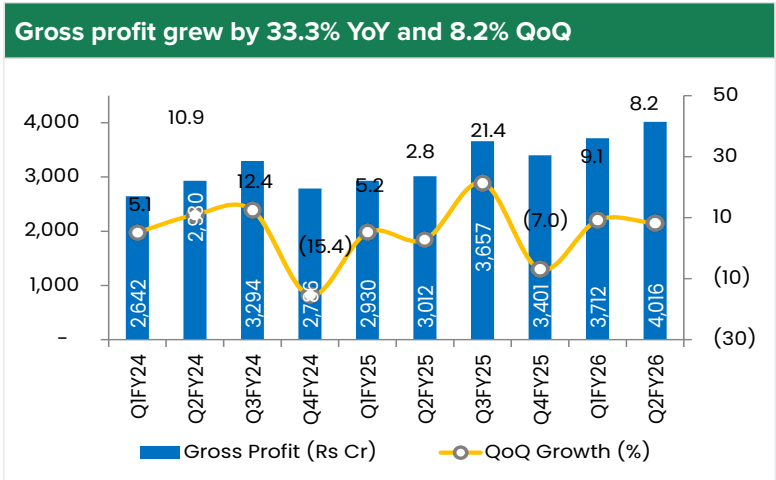
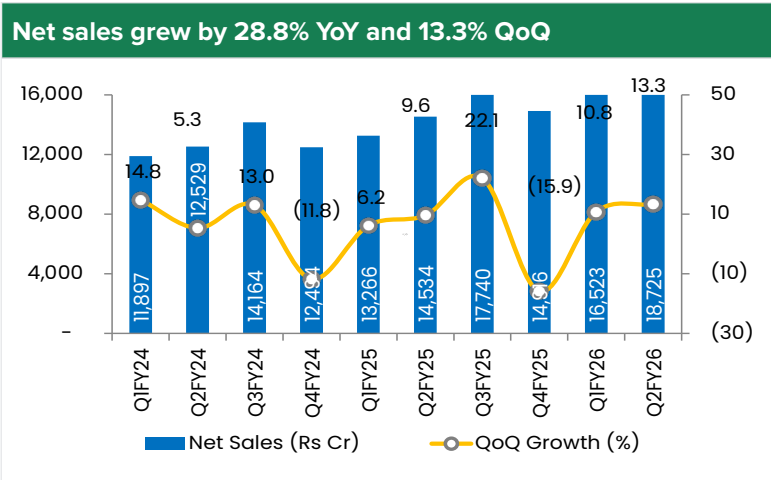
Segmental Revenue - Consolidated					
Particulars, INR Cr	Q2FY26	Q2FY25	Y-o-Y (%)	Q1FY26	Q-o-Q (%)
Watches and Wearables	1,477	1,304	13.3	1,273	16.0
Jewellery	16,522	12,771	29.4	14,647	12.8
Eyecare	220	202	8.9	238	(7.6)
Others	557	301	85.0	415	34.2
Corporate (Unallocated)	61	78	(21.8)	55	10.9
Total Income	18,837	14,656	28.5	16,628	13.3
Source : RBL Research					

Jewellery, Watches & Wearable witnessed strong double digit growth.

Segment EBIT - Consolidated					
Particulars, INR Cr	Q2FY26	Q2FY25	Y-o-Y (%)	Q1FY26	Q-o-Q (%)
Watches and Wearables	238	196	21.4	287	(17.1)
Jewellery	1,506	974	54.6	1,408	7.0
Eyecare	12	22	(45.5)	20	(40.0)
Others	70	(4)	-	61	-
Corporate (Unallocated)	(27)	-	-	(25)	-
Total	1,799	1,188	51.4	1,751	2.7
Source : RBL Research					

EBIT grew in Jewellery, Watches & Wearables segment.

Story in Charts



Source: RBL Research

Income Statement - Consolidated				
Particulars, INR Cr	FY24	FY25	FY26E	FY27E
Net sales	51,084	60,456	73,454	89,981
Expenditure				
Total Raw material cost	39,432	47,456	56,853	69,196
Employee cost	1,864	2,156	2,571	3,149
Other expenses	4,496	5,150	5,436	6,659
Total expenditure	45,792	54,762	64,860	79,003
EBITDA	5,292	5,694	8,594	10,978
EBITDA (%)	10.4	9.4	11.7	12.2
Other income	533	486	573	677
Depreciation	584	693	797	916
EBIT	5,241	5,487	8,371	10,738
EBIT (%)	10.3	9.1	11.4	11.9
Interest expenses	619	953	1,191	1,489
PBT	4,622	4,534	7,179	9,249
Tax	1,127	1,198	1,795	2,312
Adjusted PAT	3,495	3,336	5,385	6,937
PATM (%)	6.8	5.5	7.3	7.7
Source: RBL Research				

Balance Sheet - Consolidated				
Particulars, INR Cr	FY24	FY25	FY26E	FY27E
Share Capital	89	89	89	89
Reserves & Surplus	9,304	9,539	11,874	13,697
Total Shareholder's Fund	9,393	9,628	11,963	13,786
Non-Current Liabilities				
Total Borrowings	4,536	8,540	8,466	10,371
Other long term liabilities	17	6	8	11
Deferred tax liabilities	3	9	16	19
Long term provision	274	368	456	561
Current Liabilities				
Trade payables	1,410	1,963	2,611	3,194
Short term provisions	100	136	174	230
Other current liabilities	15,816	15,589	20,324	24,897
Total Liabilities	31,549	36,238	44,017	53,068
Fixed Assets	3,280	3,846	4,348	5,085
Current work in process	97	105	111	134
Intangible assets	428	433	514	630
Non current investment	680	284	370	487
Other non-current assets	410	289	376	482
Long term loans and advances	860	1,003	1,003	1,229
Deferred Tax Assets	187	103	142	199
Current Assets				
Current investments	1,666	2,817	3,395	4,159
Inventories	19,051	28,184	25,801	31,606
Trade receivables	1,018	1,068	1,469	1,800
Cash & Cash equivalents	1,525	-4,154	3,622	3,748
Other current assets	2,347	2,261	2,864	3,509
Total Assets	31,549	36,238	44,017	53,068

Source: RBL Research

Cash Flow - Consolidated				
Particulars	FY24	FY25	FY26E	FY27E
Reported PBT	4,622	4,534	7,179	9,249
Depreciation	584	693	797	916
Tax paid	(1,127)	(1,198)	(1,795)	(2,312)
Working capital Change	1,632	(9,886)	6,222	(2,333)
Operating Cash Flow (a)	5,711	(5,857)	12,403	5,520
Capex	(1,248)	(1,272)	(1,387)	(1,791)
Free Cash Flow	4,463	(7,129)	11,016	3,729
Investments	(633)	374	(173)	(449)
Investing Cash Flow (b)	(1,881)	(898)	(1,560)	(2,240)
Debt Issuance/ (Repaid)	2,341	4,004	(74)	1,905
Dividend Paid	(979)	(979)	(1,068)	(1,157)
Others	(5,010)	(1,949)	(1,926)	(3,902)
Financing Cash Flow (c)	(3,648)	1,076	(3,067)	(3,154)
Net Cash Flow (a + b + c)	182	(5,679)	7,776	126
Closing Cash	1,525	(4,154)	3,622	3,748

Source: RBL Research

Key Financial Ratios - Consolidated				
Particulars	FY24	FY25	FY26E	FY27E
Per share Data				
Dividend per share	11.0	11.0	12.0	13.0
EPS	39.3	37.5	60.5	77.9
CEPS	45.8	45.3	69.5	88.2
Book value per share	105.5	108.2	134.4	154.9
Profitability Ratios				
EBITDA Margin	10.4	9.4	11.7	12.2
PBT Margin	9.0	7.5	9.8	10.3
Net Profit Margin	6.8	5.5	7.3	7.7
RoCE	37.5	34.2	43.3	48.1
RoE	32.9	35.1	49.9	53.9
Dividend Payout	28.0	29.3	19.8	16.7
Efficiency Data				
Fixed Asset Turnover (x)	16.6	16.5	17.5	18.6
Debtors Days	7	6	7	7
Inventory Days	136	170	128	128
Interest Cover Ratio (x)	8.5	5.8	7.0	7.2
Debt-Equity Ratio (x)	0.5	0.9	0.7	0.8
Current ratio (x)	1.4	1.9	1.5	1.5
Valuation				
P/E (x)	97.4	102	63.2	49.1
P/B (x)	36.2	35.3	28.5	24.7
EV/EBITDA (x)	64.9	62	40.2	31.6
Source: RBL Research				

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Ratings Methodology

Ratings	Upside
Buy	More than 15%
Accumulate	5% - 15%
Hold	0% - 5%
Sell	Below 0%

Note: RBL Investment ratings (All ratings based on absolute return; All ratings and target price refers to 12 month performance horizon, unless mentioned otherwise).

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S No.	Statement	Answer	
		Tick Appropriate	
		Yes	No
1.	I/we or any of my/our relative has any financial interest in the subject company? (If answer is yes, nature of interest is given below this table)		No
2.	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of the research report or date of the public appearance?		No
3.	I/we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of the public appearance?		
4.	I/we have received any compensation from the subject company in the past twelve months?		No
5.	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
6.	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
7.	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
8.	I/we have served as an officer, director or employee of the subject company?		No
9.	I/we have been engaged in market making activity for the subject company?		No

2014 is/are as under:

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Nature of Interest [If answer to f (a) above conflicts is Yes]

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to

S. No.	Name of RA	Signature of RA	Serial Question of question which the signing RA needs to make a separate declaration	Answer	Answer

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