

Titan Company Limited

Q3FY26 Result Update | Sector: Jewellery

February 12, 2026





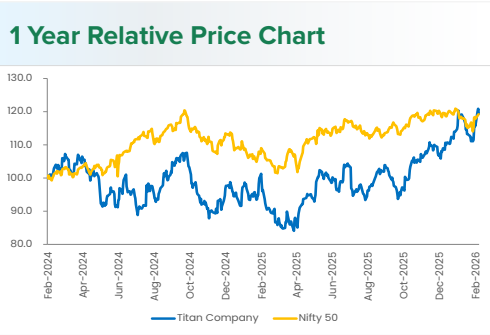
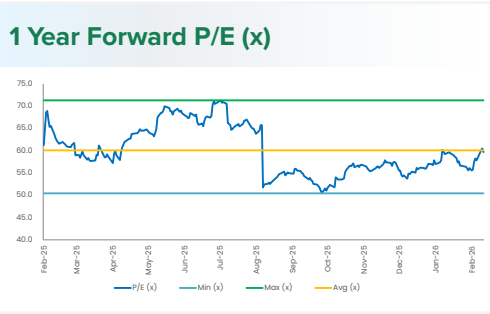
Current Market Price	4,250
Target Price	4,989
Upside	17.4%
Nifty	25,865
Sensex	83,937

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)	3,77,309
3M Avg Volume	9,05,136
52 Week H/L	4,378/2,925

Shareholding Pattern

	June-25	Sep-25	Dec-25
Promoter	52.9	52.9	52.9
FII	17.5	16.1	15.6
DII	12.5	14.0	14.8
Others	17.1	17.0	16.7



Strong Quarter Execution Amid Volatility and Competitive Intensity: Titan’s management termed Q3 FY26 a “great quarter,” highlighting a significant uptick in demand despite market volatility and rising competitive intensity. The company also booked the labour code impact upfront, resulting in an exceptional item of Rs. 152 crore at the consolidated level (Rs. 138 crore standalone), reflecting prudent accounting discipline. Management stressed the increasing importance of consolidated reporting as subsidiaries now represent sizable investments and growth drivers. Importantly, bullion and digi-gold sales remain excluded from performance metrics, ensuring operational growth reflects only core business strength.

Jewellery Demand Resilient Despite Flattish Buyer Growth: While overall buyer growth remained flattish during the quarter, Titan saw sequential improvement in new buyer contribution, rising to 45% from 42% in Q2. Average ticket size hit a record Rs. 1.9 lakh, largely driven by soaring gold prices and wedding-led high-value purchases. Plain gold ticket size grew sharply by 44%, while studded jewellery ticket size rose 15%. Management also noted continued strength in studded buyer growth, which stayed a few percentage points above overall jewellery buyer trends, highlighting premium demand resilience.

Margins Challenged by Rising Gold Prices but Profit Focus Intact: Titan acknowledged that maintaining margin percentages is difficult in a rising gold price environment. Gross margins dipped ~100 bps (normalized), driven by a higher salience of gold coins and the mathematical impact of higher gold value on studded jewellery margins. However, management reiterated that the strategic focus remains on absolute EBIT and PBT growth rather than margin percentages. Despite margin headwinds, Titan continues to protect profitability through operating leverage, product mix discipline, and scale benefits, ensuring earnings expansion remains healthy even amid commodity volatility.

Accessibility Strategy Through Lightweight and Lower Karat Jewellery: To counter affordability pressures from high gold prices, Titan is pivoting toward lightweight jewellery and introducing lower karatage offerings (18k, 14k, and even 9k) across brands like Tanishq, Mia, and CaratLane. This strategy aims to maintain accessibility without compromising design appeal. Exchange-led purchases have become a major growth lever, with over 50% of business now involving upgrades or outside gold exchange. Programs like “Golden Advantage” contribute 20-25% of sales, reinforcing Titan’s ability to sustain demand in a high-price environment.

Subsidiaries and International Expansion Strengthen Growth Platform: Titan completed the acquisition of a 67% stake in Damas, with consolidation beginning January 1, meaning Q4 will reflect Damas, CaratLane International, and TEAL together. CaratLane has achieved double-digit EBIT margins, supported by operating leverage and a high studded ratio of 85-90%. International business adjusted margins remain at 5-6%, though Q3 saw a one-off profit boost from a Dubai primary sale to Damas. Eyewear delivered 11% revenue growth backed by premiumization, while TEAL’s order book remains healthy despite milestone-linked margin volatility.

Outlook and Valuation: Management indicated January has been a good month, reflecting demand momentum strong and the premium franchise intact, though gold prices remain bi-directionally volatile, limiting specific Q4 guidance. Consumer behaviour continues to show a FOMO-driven buying pattern during festive and wedding seasons. Younger demographics remain engaged through brands like Mia and CaratLane, reinforcing long-term demand durability. With Damas consolidation beginning in Q4, Titan’s international footprint expands meaningfully. Despite near-term gold-linked margin pressures, Titan’s brand moat, premiumisation strategy, and subsidiary scaling justify its valuation premium, keeping the medium-term outlook structurally strong. On the financial front, we estimate Revenue, EBITDA, and PAT to grow at a CAGR of 29.7%, 42.7%, and 48.9%, respectively, over FY25-27E. Accordingly, we maintain our **BUY** rating with a target price of **Rs. 4,989**.

Financial Summary - Consolidated

Particulars, INR Cr	FY24	FY25	FY26E	FY27E
Net revenue	51,084	60,456	78,411	1,01,700
EBITDA	5,292	5,694	8,547	11,594
EBITDAM (%)	10.4	9.4	10.9	11.4
APAT	3,495	3,336	5,338	7,400
APATM (%)	6.8	5.5	6.8	7.3
EPS (Rs)	39.3	37.5	60.0	83.1
PE (x)	108.2	113.4	70.9	51.1
RoE (%)	32.9	35.1	49.6	56.6

Source : RBL Research

Research Analyst

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Key Highlights:

- » **Studded Jewellery Under Pressure in Sub-Rs. 1 Lakh Segment:** Management flagged increased pressure in the sub-Rs. 1 lakh studded jewellery category, where affordability constraints are more visible. While studded buyer growth remains slightly stronger than overall jewellery trends, demand softness is emerging in lower-ticket discretionary purchases. Titan is responding through sharper assortment planning and accessibility-focused formats. This highlights that while premium demand is holding up, the entry-level studded segment could face near-term sensitivity as gold inflation impacts consumer budgets, requiring targeted innovation.
- » **Exchange and Upgrade Behaviour Becoming Structural, Not Cyclical:** Titan noted that exchange-led purchases are now embedded deeply in consumer behaviour, with over half of jewellery transactions involving some form of gold exchange or upgrade. This shift reflects a structural change in how customers manage gold affordability. Exchange programs are not just tactical tools but have become central to Titan’s growth model, supporting repeat purchases, customer retention, and higher-value upgrades even during periods of elevated gold prices.
- » **CaratLane Margin Profile Strengthening with Scale Benefits:** CaratLane’s profitability trajectory continues to improve, with the business achieving double-digit EBIT margins driven by operating leverage and disciplined cost control. The studded ratio remains exceptionally high at 85-90%, reinforcing its positioning as a design-led, high-margin format. Management commentary suggests CaratLane is evolving from a growth-heavy investment phase into a scalable earnings contributor, strengthening Titan’s consolidated margin profile over the medium term.
- » **International Business Still Sub-Scale, Margin Expansion a Key Monitor:** Titan’s international jewellery business currently operates at adjusted margins of only 5-6%, indicating it remains in an investment and expansion phase. Management highlighted that Q3 profitability included a one-off Dubai primary sale benefit, implying underlying profitability is still modest. Going forward, Damas integration and selective store conversions to Tanishq will determine how quickly Titan can scale international operations into a structurally profitable growth engine.
- » **Eyewear Growth Driven by Volume + Premium Brand Mix:** The eyewear division delivered 11% revenue growth, supported by 8% volume expansion and continued premiumization through international brand offerings. Ticket size improvements are becoming a key lever, suggesting the segment is moving beyond value retail into a lifestyle-led premium category. Management’s focus on omni-channel execution and UCP expansion indicates eyewear is gradually emerging as a stronger contributor within Titan’s lifestyle portfolio.
- » **TEAL Business Execution Remains Milestone-Linked but Order Pipeline Strong:** Titan reiterated that TEAL (engineering) remains a project-based business where quarterly margins fluctuate depending on execution milestones. However, the order book continues to remain healthy, offering revenue visibility. Management commentary suggests TEAL’s earnings profile will remain uneven in the short term, but the strategic relevance of this segment persists through strong demand and ongoing project wins, supporting Titan’s diversification beyond consumer categories.

Quarterly Performance - Consolidated					
Particulars, INR Cr	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net sales	25,416	17,740	43.3	18,725	35.7
Material costs	20,387	14,083	44.8	14,709	38.6
Gross Profit	5,029	3,657	37.5	4,016	25.2
Gross Margin (%)	19.8	20.6	-83 bps	21.4	-166 bps
Employee cost	646	555	16.4	616	4.9
Other overheads	1,670	1,428	16.9	1,525	9.5
EBITDA	2,713	1,674	62.1	1,875	44.7
EBITDA Margin (%)	10.7	9.4	124 bps	10.0	66 bps
Depreciation	207	175	18.3	189	9.5
Interest	282	231	22.1	277	1.8
Other income	151	128	18.0	112	34.8
PBT	2,223	1,396	59.2	1,521	46.2
Tax	539	349	54.4	402	34.1
Effective tax rate (%)	24.2	25.0	-75 bps	26.4	-218 bps
PAT	1,684	1,047	60.8	1,119	50.5
PAT margin (%)	6.6	5.9	72 bps	6.0	65 bps
Extra ordinary items	(152)	-		-	
Reported PAT	1,684	1,047	60.8	1,119	50.5
EPS (Rs) ex excep. Items	18.9	11.8	60.8	12.6	50.5
Source : RBL Research					

Net sales surged 43.3% YoY and 35.7% QoQ, driven by festive jewellery demand, higher gold prices, and strong US-GCC growth.

EBITDA margin expanded 124 bps YoY and 66 bps QoQ, supported by operating leverage, premium mix, and cost control.

PAT surged 60.8% YoY and 50.5% QoQ, led by strong jewellery EBIT, watches/eyecare growth, and lower losses in emerging businesses.

Cost Analysis - Consolidated					
As a % of net sales	Q3FY26	Q3FY25	YoY (bps)	Q2FY26	QoQ (bps)
Material costs	80.2	79.4	83.0	78.6	166.0
Employee cost	2.5	3.1	(59.0)	3.3	(75.0)
Other overheads	6.6	8.0	(148.0)	8.1	(157.0)
Total costs	89.3	90.6	(124.0)	90.0	(66.0)
Source : RBL Research					

Material costs as a % of sales increased by 166 bps QoQ and 83 bps YoY.

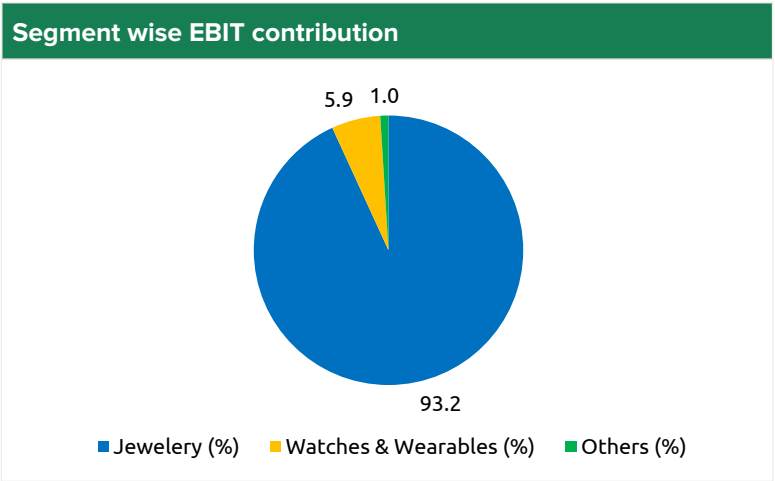
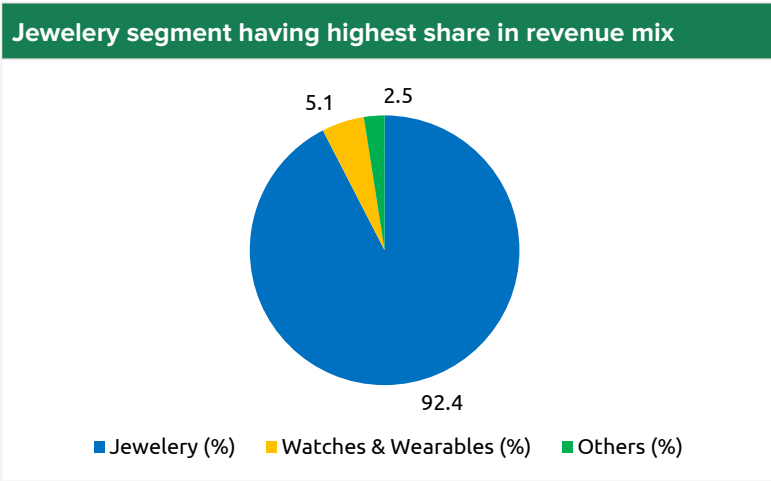
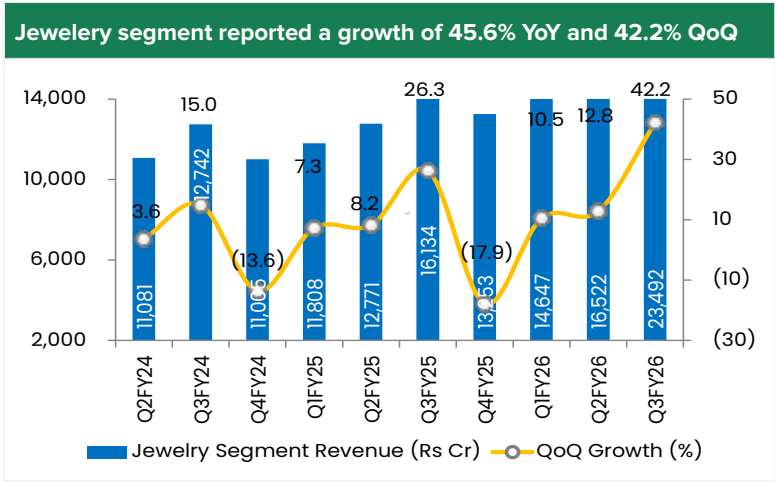
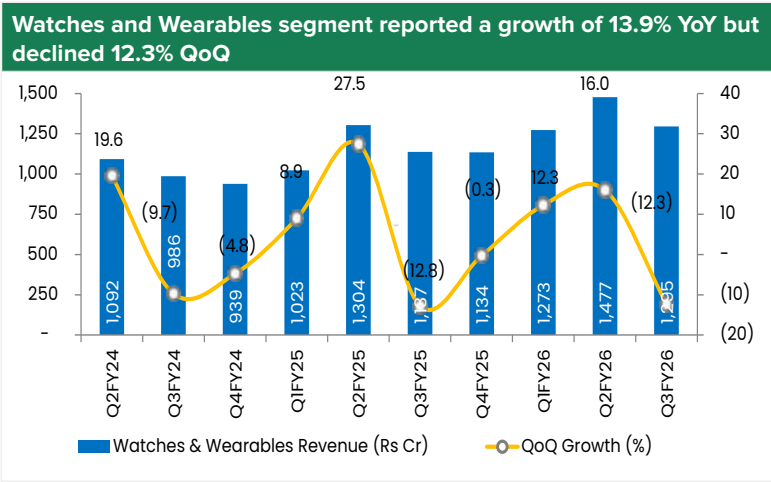
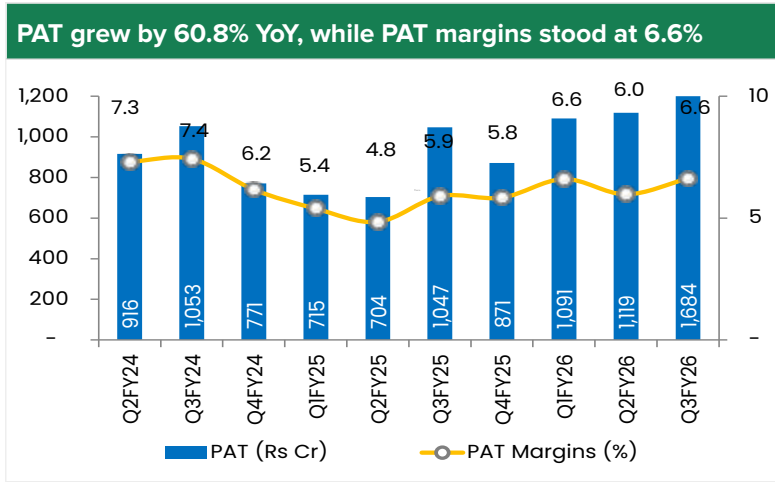
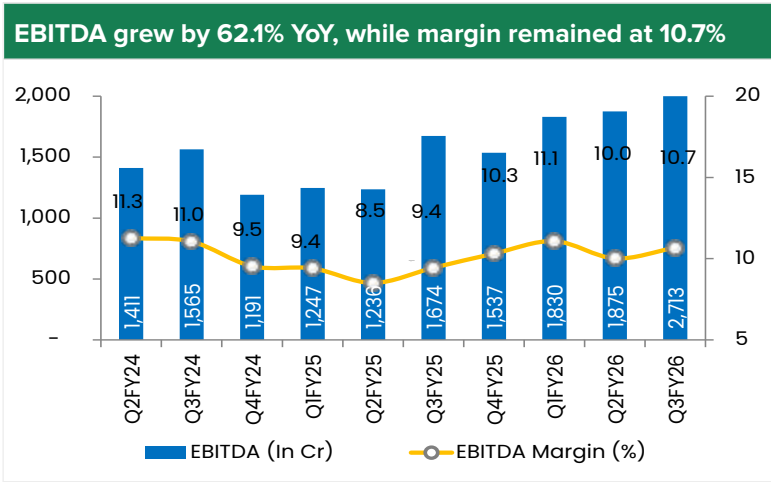
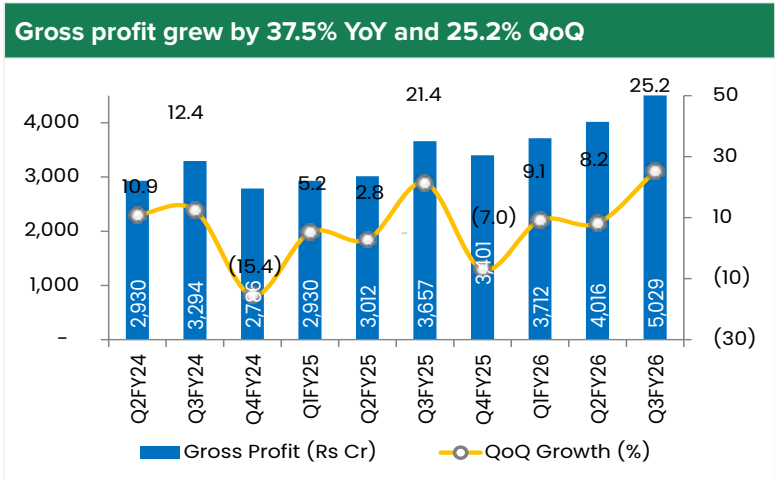
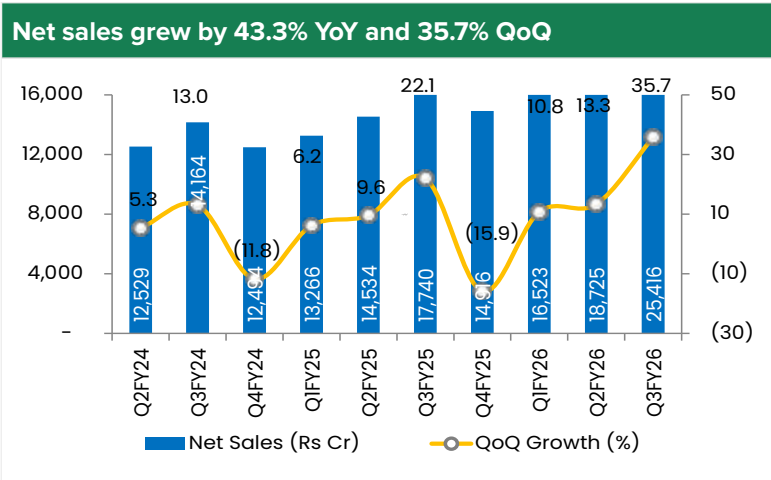
Segmental Revenue - Consolidated					
Particulars, INR Cr	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Watches and Wearables	1,295	1,137	13.9	1,477	(12.3)
Jewellery	23,492	16,134	45.6	16,522	42.2
Eyecare	231	196	17.9	220	5.0
Others	457	312	46.5	557	(18.0)
Corporate (Unallocated)	92	89	3.4	61	50.8
Total Income	25,567	17,868	43.1	18,837	35.7
Source : RBL Research					

Jewellery, Watches & Wearable witnessed strong double digit growth.

Segment EBIT - Consolidated					
Particulars, INR Cr	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Watches and Wearables	156	108	44.4	238	(34.5)
Jewellery	2,475	1,490	66.1	1,506	64.3
Eyecare	24	20	20.0	12	100.0
Others	10	1	-	70	(85.7)
Corporate (Unallocated)	(8)	8	-	(27)	-
Total	2,657	1,627	63.3	1,799	47.7
Source : RBL Research					

EBIT grew in Jewellery, Watches & Wearables and Eyecare segment.

Story in Charts



Source: RBL Research

Income Statement - Consolidated				
Particulars, INR Cr	FY24	FY25	FY26E	FY27E
Net sales	51,084	60,456	78,411	1,01,700
Expenditure				
Total Raw material cost	39,432	47,456	60,690	78,207
Employee cost	1,864	2,156	2,901	3,763
Other expenses	4,496	5,150	6,273	8,136
Total expenditure	45,792	54,762	69,865	90,106
EBITDA	5,292	5,694	8,547	11,594
EBITDA (%)	10.4	9.4	10.9	11.4
Other income	533	486	559	643
Depreciation	584	693	797	916
EBIT	5,241	5,487	8,309	11,320
EBIT (%)	10.3	9.1	10.6	11.1
Interest expenses	619	953	1,191	1,453
PBT	4,622	4,534	7,118	9,867
Tax	1,127	1,198	1,779	2,467
Adjusted PAT	3,495	3,336	5,338	7,400
PATM (%)	6.8	5.5	6.8	7.3
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	11,827	14,160
Total Shareholder's Fund	9,393	9,628	11,916	14,249
Non-Current Liabilities				
Total Borrowings	4,536	8,540	9,037	11,721
Other long term liabilities	17	6	9	12
Deferred tax liabilities	3	9	17	22
Long term provision	274	368	486	634
Current Liabilities				
Trade payables	1,410	1,963	2,788	3,610
Short term provisions	100	136	186	260
Other current liabilities	15,816	15,589	21,696	28,139
Total Liabilities	31,549	36,238	46,134	58,648
Fixed Assets	3,280	3,846	4,844	6,257
Current work in process	97	105	119	152
Intangible assets	428	433	549	712
Non current investment	680	284	395	551
Other non-current assets	410	289	401	544
Long term loans and advances	860	1,003	1,071	1,389
Deferred Tax Assets	187	103	152	225
Current Assets				
Current investments	1,666	2,817	3,625	4,701
Inventories	19,051	28,184	27,542	35,722
Trade receivables	1,018	1,068	1,568	2,034
Cash & Cash equivalents	1,525	-4,154	2,810	2,395
Other current assets	2,347	2,261	3,058	3,966
Total Assets	31,549	36,238	46,134	58,648

Source: RBL Research

Cash Flow - Consolidated				
Particulars	FY24	FY25	FY26E	FY27E
Reported PBT	4,622	4,534	7,118	9,867
Depreciation	584	693	797	916
Tax paid	(1,127)	(1,198)	(1,779)	(2,467)
Working capital Change	1,632	(9,886)	5,519	(3,291)
Operating Cash Flow (a)	5,711	(5,857)	11,654	5,026
Capex	(1,248)	(1,272)	(1,925)	(2,525)
Free Cash Flow	4,463	(7,129)	9,728	2,501
Investments	(633)	374	(291)	(617)
Investing Cash Flow (b)	(1,881)	(898)	(2,216)	(3,142)
Debt Issuance/ (Repaid)	2,341	4,004	498	2,684
Dividend Paid	(979)	(979)	(1,068)	(1,157)
Others	(5,010)	(1,949)	(1,903)	(3,827)
Financing Cash Flow (c)	(3,648)	1,076	(2,473)	(2,300)
Net Cash Flow (a + b + c)	182	(5,679)	6,965	(416)
Closing Cash	1,525	(4,154)	2,810	2,395

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	60.0	83.1
CEPS	45.8	45.3	68.9	93.4
Book value per share	105.5	108.2	133.9	160.1
Profitability Ratios				
EBITDA Margin	10.4	9.4	10.9	11.4
PBT Margin	9.0	7.5	9.1	9.7
Net Profit Margin	6.8	5.5	6.8	7.3
RoCE	37.5	34.2	42.4	48.2
RoE	32.9	35.1	49.6	56.6
Dividend Payout	28.0	29.3	20.0	15.6
Efficiency Data				
Fixed Asset Turnover (x)	16.6	16.5	17.6	17.9
Debtors Days	7	6	7	7
Inventory Days	136	170	128	128
Interest Cover Ratio (x)	8.5	5.8	7.0	7.8
Debt-Equity Ratio (x)	0.5	0.9	0.8	0.8
Current ratio (x)	1.4	1.9	1.5	1.5
Valuation				
P/E (x)	108.2	113.4	70.9	51.1
P/B (x)	40.3	39.3	31.7	26.5
EV/EBITDA (x)	72.0	68.7	45.0	33.4
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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