

Titan Company | BUY

Margins surprises positively; upgrade from HOLD to BUY

Revenue growth remained robust at 24% YoY (ex-bullion) led by 25% YoY growth in jewellery (healthy SSSG of 15%) and supported by 20%/16% growth in watches/eyewear. Secondary sales, though, grew 20% YoY due to up-stocking on account of Akshay Tritiya. Margin surprised positively. Standalone Jewellery EBIT margin was ~110bps up vs. our estimates to 11.9% despite ~300 bps lower studded share (30%) on account of (i) hedging gains, and (ii) better operating leverage. Surge in gold prices impacted consumer sentiment and resulted in shift towards (i) lower carat products, (ii) light weight jewellery products, and (iii) products with lower making charges. Correction in gold price, if any, will be favourable and will result in increasing number of buyers and improved margins. The management has maintained its Jewellery EBIT margin guidance of 11-11.5% and is targeting high double digit revenue growth for the next few years. We cut our FY26 EPS estimates by ~1% due to higher interest and depreciation expense, while we increase FY27 EPS estimates by ~2% led by improved EBITDA margin and expected reduction in interest expenses on lower debt and GML rate normalisation. We increase our P/E multiple from 55x (earlier) to 57x led by (1) stability in margins, and (2) robust 15%/27%/33% revenue/EBITDA/PAT CAGR over FY25-27. We upgrade our rating from HOLD to BUY with a revised TP of INR 3,725 (earlier INR 3,550) 57x Mar'27 EPS.

- **Strong growth in jewellery; in line PAT:** Standalone revenue grew ~24% YoY (ex-bullion), led by 25% underlying growth in jewellery (ex-bullion), robust 20% in watches, and 16% in eyewear. Reported EBITDA grew 30% YoY (7% above JMFe) as EBITDA margin expanded ~80bps YoY to 10.7% (11.1% ex-bullion; JMFe: 10.6%) led by gross margin expansion of ~50bps YoY to 21.7% (JMFe: 22.2%) and ~60bps lower other expenses due to better operating leverage partially offset by ~20bps YoY higher advertisement expenses. PAT grew only 11% YoY to INR 8.7bn (JMFe: in line) as other income declined 22% YoY and interest/ depreciation grew 26%/20% YoY. ETR also came high at 27.9% vs. 19.5% in Q4FY24.
- **Robust jewellery margin drives margin expansion:** Jewellery underlying standalone revenue (ex-bullion) grew 26% YoY. Secondary sales grew 20% YoY due to up-stocking ahead of Akshay Tritiya. Gold (plain) grew 27% YoY and gold coins grew 64% with healthy SSSG of 15%. Studded ratio stood ~300bps YoY lower at 30%. Underlying EBIT margin (ex-bullion) contracted ~30bps YoY to 11.9% (JMFe: 10.8%); margins were ahead of expectations primarily due to (i) hedging gains, (ii) 30bps gain on primary sales to international subs and (iii) better operating leverage. Consolidated Jewellery revenue grew (ex-bullion) 25% YoY on 23%/69% YoY jump in Caratlane/international business revenue. Caratlane EBIT margin expanded 70bps YoY to 7.9%. 7/12/17 store were added under Tanishq/ Mia/ Caratlane. **Watches** revenue grew 20% YoY, and EBIT grew by 66% as margin expanded ~330bps YoY to 11.8% (JMFe: 12%). 20/10/11 stores of Titan world/ Helios/ Fastrack were added in 4Q. **Eyewear** revenue grew 16% YoY, and EBIT grew by 150% YoY as margin expanded ~560bps YoY to 10.4% (JMFe: 8%). The company closed 8/1 store of Titan Eye+Fastrack.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	5,10,840	6,04,560	6,84,959	7,96,464	9,21,449
Sales Growth (%)	25.9	18.3	13.3	16.3	15.7
EBITDA	52,920	56,940	75,363	89,685	1,05,754
EBITDA Margin (%)	10.4	9.4	11.0	11.3	11.5
Adjusted Net Profit	34,960	33,370	46,041	57,595	69,304
Diluted EPS (INR)	39.4	37.6	51.9	64.9	78.1
Diluted EPS Growth (%)	7.6	-4.5	38.0	25.1	20.3
ROIC (%)	25.0	20.4	25.7	30.1	30.8
ROE (%)	32.8	31.8	34.5	33.3	31.3
P/E (x)	85.6	89.6	65.0	51.9	43.2
P/B (x)	31.8	25.7	19.8	15.3	12.0
EV/EBITDA (x)	57.7	54.1	40.1	33.5	28.3
Dividend Yield (%)	0.3	0.3	0.4	0.4	0.5

Source: Company data, JM Financial. Note: Valuations as of 08/May/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	HOLD
Current Price Target (12M)	3,725
Upside/(Downside)	10.6%
Previous Price Target	3,550
Change	4.9%

Key Data – TTAN IN

Current Market Price	INR3,369
Market cap (bn)	INR2,991.2/US\$34.9
Free Float	40%
Shares in issue (mn)	887.8
Diluted share (mn)	887.8
3-mon avg daily val (mn)	INR2,934.7/US\$34.2
52-week range	3,867/2,925
Sensex/Nifty	80,335/24,274
INR/US\$	85.7

Price Performance

%	1M	6M	12M
Absolute	7.9	5.7	3.4
Relative*	-0.8	4.6	-6.8

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1. Standalone quarterly performance (INR mn)

	Quarterly			Chg (%)		Q4FY25E		Reported		Chg (%)
	Q4FY24	Q3FY25	Q4FY25	YoY	QoQ	JM Est	Chg (%)	FY24	FY25	YoY
Net operating revenues	112,570	160,970	134,770	20	(16)	126,816	6	471,140	548,420	16
Material cost	(88,710)	(130,070)	(105,550)	19	(19)	(98,636)	7	(369,420)	(437,400)	18
Gross profit	23,860	30,900	29,220	22	(5)	28,180	4	101,720	111,020	9
Employee cost	(3,750)	(4,440)	(4,470)	19	1	(4,300)	4	(15,030)	(17,170)	14
Advertising and promotion	(1,810)	(2,800)	(2,470)	36	(12)	(2,300)	7	(8,290)	(9,790)	18
Other expenditure	(7,210)	(8,560)	(7,900)	10	(8)	(8,100)	(2)	(28,160)	(31,140)	11
Total expenditure	(101,480)	(145,870)	(120,390)	19	(17)	(113,336)	6	(420,900)	(495,500)	18
EBITDA	11,090	15,100	14,380	30	(5)	13,480	7	50,240	52,920	5
Other income	1,500	1,310	1,170	(22)	(11)	1,400	(16)	5,100	4,930	(3)
Interest	(1,620)	(1,860)	(2,040)	26	10	(1,870)	9	(4,800)	(7,670)	60
Depreciation	(1,200)	(1,350)	(1,440)	20	7	(1,380)	4	(4,470)	(5,370)	20
PBT	9,770	13,200	12,070	24	(9)	11,630	4	46,070	44,810	(3)
Tax	(1,910)	(3,300)	(3,370)	76	2	(2,908)		(10,640)	(11,460)	8
PAT	7,860	9,900	8,700	11	(12)	8,723	(0)	35,430	33,350	(6)
Extraordinary items	-	-	-			-		-	-	
Net profit (reported)	7,860	9,900	8,700	11	(12)	8,723	(0)	35,430	33,350	(6)
EPS (Rs)	8.9	11.2	9.8	11	(12)	9.8	(0)	31.1	27.8	(11)
Ratios (% of net Sales)										
Gross margin (%)	21.2	19.2	21.7	48 bps	248 bps	22.2	-55 bps	21.6	20.2	-135 bps
EBITDA margin (%)	9.9	9.4	10.7	81 bps	128 bps	10.6	4 bps	10.7	9.6	-102 bps
Employee cost	3.3	2.8	3.3	-2 bps	55 bps	3.4	-8 bps	3.2	3.1	-6 bps
Advertising and promotion	1.6	1.7	1.8	22 bps	9 bps	1.8	1 bps	1.8	1.8	2 bps
Other expenditure	6.4	5.3	5.9	-55 bps	54 bps	6.4	-53 bps	6.0	5.7	-30 bps
Income tax rate (% of PBT)	19.5	25.0	27.9	837 bps	292 bps	25.0	292 bps	23.1	25.6	247 bps
Segment results										
Revenues										
Jewelry	101,250	146,970	120,960	19	(18)	112,835	7	422,920	492,270	16
Watches	9,400	11,280	11,260	20	(0)	11,468	(2)	39,040	45,760	17
Eyewear	1,660	1,940	1,920	16	(1)	1,975	(3)	7,240	7,960	10
Others	970	1,180	1,020	5	(14)	1,038	(2)	3,780	4,060	7
Unallocated	790	910	780	(1)	(14)	900	(13)	3,260	3,300	1
Total segment revenue	114,070	162,280	135,940	19	(16)	128,216	6	476,240	553,350	16
Segment PBIT										
Jewelry	10,890	13,980	13,310	22	(5)	12,186	9	47,260	47,640	1
Watches	800	1,110	1,330	66	20	1,376	(3)	3,970	5,530	39
Eyewear	80	210	200	150	(5)	158	27	850	850	-
Others	(220)	(320)	(370)	68	16	(320)	16	850	(1,240)	(246)
Unallocated	(160)	80	(360)	125	(550)	100	(460)	850	(300)	(135)
Total segment EBIT	11,390	15,060	14,110	24	(6)	13,500	5	53,780	52,480	(2)
Segment PBIT margin (%)										
Jewelry	10.8	9.5	11.0	24 bps	149 bps	10.8	20 bps	11.2	9.7	-150 bps
Watches	8.5	9.8	11.8	330 bps	197 bps	12.0	-19 bps	10.2	12.1	191 bps
Eyewear	4.8	10.8	10.4	559 bps	-41 bps	8.0	241 bps	11.7	10.7	-107 bps
Others	(22.7)	(27.1)	(36.3)	-1360 bps	-916 bps	(30.8)	-545 bps	22.5	(30.5)	-5303 bps
Total segment margin	10.0	9.3	10.4	39 bps	109 bps	10.5	-15 bps	11.3	9.5	-181 bps

Source: Company, JM Financial

Exhibit 2. Consolidated quarterly performance (INR mn)

	Reported			Chg (%)		Q4FY25E		Reported		Chg (%)
	Q4FY24	Q3FY25	Q4FY25E	YoY	QoQ	JM Est	Chg (%)	FY24	FY25	YoY
Net operating revenues	124,940	177,400	149,160	19	(16)	135,360	10	510,840	604,560	18
Material cost	(97,080)	(140,830)	(115,150)	19	(18)	(101,812)	13	(394,320)	(474,560)	20
Gross profit	27,860	36,570	34,010	22	(7)	33,548	1	116,520	130,000	12
Employee cost	(4,730)	(5,550)	(5,590)	18	1	(6,331)	(12)	(18,640)	(21,560)	16
Advertising and promotion	(2,680)	(3,710)	(3,200)	19	(14)	(3,707)	(14)	(11,480)	(13,080)	14
Other expenditure	(8,540)	(10,570)	(9,850)	15	(7)	(10,050)	(2)	(33,480)	(38,420)	15
Total expenditure	(113,030)	(160,660)	(133,790)	18	(17)	(121,900)	10	(457,920)	(547,620)	20
EBITDA	11,910	16,740	15,370	29	(8)	13,460	14	52,920	56,940	8
Other income	1,590	1,280	1,160	(27)	(9)	1,460	(21)	5,330	4,860	(9)
Interest	(2,010)	(2,310)	(2,520)	25	9	(2,299)	10	(6,190)	(9,530)	54
Depreciation	(1,580)	(1,750)	(1,830)	16	5	(1,786)	2	(5,840)	(6,930)	19
PBT	9,910	13,960	12,180	23	(13)	10,835	12	46,220	45,340	(2)
Tax	(2,200)	(3,490)	(3,470)	58	(1)	(2,709)	28	(11,270)	(11,980)	6
Share of profit of associates	-	-	-	-	-	-	-	(30)	10	(133)
Recurring PAT (after MI)	7,710	10,470	8,710	13	(17)	8,126	7	34,920	33,370	(4)
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net profit (reported)	7,710	10,470	8,710	13	(17)	8,126	7	34,920	33,370	(4)
EPS (Rs)	8.7	11.8	9.8	13	(17)	9.2	7	39.3	37.6	(4)
Ratios (% of net sales)										
Gross margin (%)	22.3	20.6	22.8	50 bps	218 bps	24.8	-199 bps	22.8	21.5	-131 bps
EBITDA margin (%)	9.5	9.4	10.3	77 bps	86 bps	9.9	36 bps	10.4	9.4	-95 bps
Employee cost	3.8	3.1	3.7	-4 bps	61 bps	4.7	-93 bps	3.6	3.6	-9 bps
Advertising and promotion	2.1	2.1	2.1	0 bps	5 bps	2.7	-60 bps	2.2	2.2	-9 bps
Other expenditure	6.8	6.0	6.6	-24 bps	64 bps	7.4	-83 bps	6.6	6.4	-20 bps
Income tax rate (% of PBT)	22.2	25.0	28.5	628 bps	348 bps	25.0	348 bps	24.4	26.4	203 bps
Segment results										
Revenues										
Jewelry	110,050	161,340	132,530	20	(18)	119,033	11	455,240	539,660	19
Watches	9,390	11,370	11,340	21	(0)	11,300	0	39,300	45,980	17
Eyewear	1,660	1,960	1,930	16	(2)	1,930	(0)	7,260	8,010	10
Others	4,700	3,120	3,850	(18)	23	3,707	4	11,380	12,750	12
Unallocated	730	890	670	(8)	(25)	850	(21)	2,990	3,020	1
Total segment revenue	126,530	178,680	150,320	19	(16)	136,820	10	516,170	609,420	18
Segment PBIT										
Jewelry	10,910	14,900	13,330	22	(11)	11,665	14	48,120	48,990	2
Watches	760	1,080	1,330	75	23	1,316	1	3,930	5,480	39
Eyewear	70	200	190	171	(5)	115	65	800	800	0
Others	390	10	260	(33)	2500	213	22	46	80	74
Unallocated	(210)	80	(410)	95	(613)	(176)	133	(486)	(480)	(1)
Total segment EBIT	11,920	16,270	14,700	23	(10)	13,133	12	52,410	54,870	5
Segment PBIT margin (%)										
Jewelry	9.9	9.2	10.1	14 bps	82 bps	9.8	25 bps	10.6	9.1	-150 bps
Watches	8.1	9.5	11.7	363 bps	222 bps	11.6	7 bps	10.0	11.9	191 bps
Eyewear	4.2	10.2	9.8	562 bps	-36 bps	6.0	389 bps	11.0	10.0	-104 bps
Others	8.3	0.3	6.8	-155 bps	643 bps	5.7	100 bps	0.4	0.6	22 bps
Total segment margin	9.4	9.1	9.8	35 bps	67 bps	9.6	18 bps	10.2	9.0	-115 bps

Source: Company, JM Financial

Exhibit 3. We cut our EPS estimates for FY26 by 1% and increase for FY27 by ~2% led by improving margins

	FY26E			FY27E		
	Revised	Earlier	Chg (%)	Revised	Earlier	Chg (%)
Net revenues	684,959	700,976	(2.3)	796,464	810,617	(1.7)
EBITDA	75,363	74,658	0.9	89,685	89,381	0.3
EBITDA margin (%)	11.0	10.7		11.3	11.0	
PAT	46,031	46,648	(1.3)	57,585	56,734	1.5
EPS (Rs/share)	51.9	52.5	(1.3)	64.9	63.9	1.5
Net revenue break-up						
Jewellery	609,086	625,118	(2.6)	708,481	721,768	(1.8)
Watches	52,528	52,096	0.8	59,647	59,021	1.1
Eyewear	9,072	8,910	1.8	10,094	9,927	1.7
Others	18,924	18,968	(0.2)	22,709	22,762	(0.2)

Source: Company, JM Financial

Segmental performance

Jewellery

- **Standalone Jewellery** segment posted 20% YoY revenue growth to INR 121bn (incl. INR 8.6bn gold ingot sales). EBIT increased 22% YoY to ~INR 13.3bn. EBIT margin (incl bullion) expanded ~20bps YoY to 11% for 4Q. On a consolidated basis, jewellery grew 20% YoY to ~INR 132.5bn; excluding bullion, jewellery sales grew 25% YoY to INR 122.7bn, while underlying EBIT margin (excluding bullion) stood at 10.9% – down 20bps YoY.
- **Gold price surge** - As gold prices surged sharply in 4Q, this impacted the consumer sentiment under sub INR 50k price band mainly. Customers are (i) scaling down the complexity of the product, which will fetch lower making charges, (ii) shifting to lower carat products (18kt and 9kt also), and (iii) buying light weight jewellery, in response to increased gold prices. Any correction in gold price will be favourable for the company as it will result in better volume growth and increase in number of buyers.
- **Studded share** contracted by 300bps YoY to 30% (grew 12% YoY) due to high gold prices impacting the overall product mix. The demand has been good in the lower carat diamonds led by better buyer growth. Mia and Caratlane registered low double digit growth in sub INR 50 k studded segment. Sub INR 1 lakh segment also registered double-digit growth.
- **Solitaire** – More than 95% of the studded jewellery sold by Titan is non- solitaire in which the diamond prices have been largely stable. Prices of 1kt or higher diamond have come down in recent past. The company has seen increase in the number of buyers in the non-solitaire segment in the past 2 quarters and the trend continues in Apr'25 also.
- Growth in the jewellery segment came mostly from ticket size growth, while both studded and gold coin segments saw buyer growths. Solitaires likewise saw a good rebound on the back of good buyer growths, albeit on the lower carat weights. New buyers contributed 52% of the total buyers in 4Q.
- **Lab grown diamond** – There has been a steep correction in the wholesale prices of LGDs. Selling price for most of the retailers has come down from INR 50-60k earlier to INR 30k. Retailers still earn healthy margins at current prices, suggesting that there can be further correction in price from these levels also.
- **Guidance** – The management has seen increase in the average ticket size of the consumer largely led by surge in gold prices. It continues to **target high double digit growth in the range of 15-20%** (either through buyer growth or value growth).
- **Margins** – Higher sales of coin and surge in gold prices impacted the product mix and margin, but better operating leverage and some benefit of hedging related gains (~30bps) negated the impact and resulted in EBIT margin of 11.9% (ex- bullion). EBIT margin stood at 11.6% excluding sales to the international subsidiary. Despite lower studded share margins were aided by (i) hedging gains and (ii) operating leverage. The

management has maintained its **jewellery EBIT margin guidance of 11-11.5% for FY26 (standalone)**.

- **Caratlane** – Revenue in 4Q grew ~23% YoY to ~INR 8.8bn (ex-bullion/ex digi gold sales), with EBIT of INR 700mn (up 35% YoY) and EBIT margin of 7.9% (70bps up YoY). Studded revenue grew ~19% YoY, while other categories grew 44% YoY. It added 17 stores in 3Q (Total – 322 stores). Buyer growth came in at ~5% YoY (partly impacted by high gold prices and consumer preferences for coins). The average bill value was higher by ~18% YoY.
- **Store** – The company plans to add 40-50 stores in FY26. It transformed 60 stores in the last 2 years and plans to transform 50-60 stores in FY26
- **Region** – East and South continue to lead revenue growth. Growth in West and North continues to be sluggish.
- **Gold on lease** – In 4Q, interest rate on GML more than doubled initially but is now settling down. Gold price during the period also increased, which inflated the overall GML value and, hence, resulted in higher interest cost. The interest rate has though reduced from its high but is till 75-80bps high from its earlier levels.
- **International:** The jewellery business grew 69% YoY to INR 40.2bn led by new store expansion in both GCC and North America region. Added 1 store in Sharjah (Total – 15 stores in GCC region).

Watches

- Watches revenue grew 18% YoY led by ~18% growth in analog watches, and EBIT grew by 66% as margin expanded ~330bps YoY to 11.8% led by better operating leverage (JMFe: 12%). The Helios channel representing premium Titan and international brands continued to clock strong double-digit growth in 4Q.
- The quarter saw double digit growth across all brands. Fastrack topped the growth chart clocking ~44% YoY growth followed by Sonata growing by ~25% YoY, signalling a strong performance in affordable fashion segments on the back of recent product offerings.
- The company added 20/10/11 stores of Titan world/ Helios/ Fastrack in 4Q.

Eyecare

- Eyewear revenue grew 16% YoY (led by healthy double-digit volume growth), and EBIT grew by 150% YoY as margin expanded ~560bps YoY to 10.4% led by higher gross margin and better revenue mix.
- Within product categories, sunglasses sales outpaced others growing by c.52% YoY. The prescription products of lenses and frames (together) grew in low double digits. International brands registered strong growth of c.47% YoY; house brands saw c.7% growth in the same period.
- The company closed 11 stores (net) in 4Q.

Other businesses

- **Taneira's** sales were lower by ~4% YoY (closed 1 store in 4Q).
- **Fragrances** revenue grew ~26% YoY led by healthy growth in Fastrack perfumes. The overall volume growth in both SKINN and Fastrack was in high double digits exhibiting strong consumer preference for the brands.
- EBIT (loss) for the emerging businesses was INR 370mn for 4QFY25.

Exhibit 4. Segmental performance

	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Jewelry business											
Revenue growth (%)	18.0	11.2	23.5	19.3	19.0	23.0	18.8	8.9	25.5	24.2	24.8
Volume growth (%)	3.0	1.0	10.0	4.0	4.0	8.0	8.0	(8.0)	1.0	5.0	3.0
Implied price/mix change (%)	14.5	10.1	12.3	14.8	14.5	13.9	10.0	18.4	24.3	18.3	21.2
Average gold price (Rs/10 gm)	53,361	54,908	59,275	62,396	61,458	63,021	65,625	74,688	74,524	79,586	86,625
Change (%)	8.0	9.0	14.0	15.4	15.2	14.8	10.7	19.7	21.3	26.3	32.0
Studded share (%)	32.0	26.0	33.0	26.0	33.0	24.0	33.0	26.0	30.0	23.0	30.0
Store presence											
Tanishq											
No	403	411	423	433	445	466	479	491	502	515	522
Towns	242	245	251	257	260	273	279	286	290	297	298
Sq ft ('000s)	1,570	1,740	1,700	1,800	1,880	2,010	2,080	2,160	2,250	2,350	2,400
Watches business											
Revenue growth (%)	20.7	14.5	40.0	13.4	31.7	21.1	7.9	14.7	19.1	14.9	19.8
Store presence											
World of Titan											
No	577	601	622	636	646	655	665	670	688	700	720
Towns	273	293	306	313	317	319	328	329	334	337	342
Sq ft ('000s)	434	446	443	453	457	459	467	472	483	492	505
Fastrack											
No	163	170	185	188	193	198	218	225	227	228	239
Towns	77	80	85	85	93	91	100	103	106	107	112
Sq ft ('000s)	79	81	87	89	88	95	105	107	109	110	114
Helios											
No	165	182	198	207	212	223	237	242	256	266	276
Towns	67	74	77	78	81	84	88	91	95	97	100
Sq ft ('000s)	126	136	144	151	154	161	175	178	188	196	203
Eyewear business											
Revenue growth (%)	4.4	11.5	23.1	10.9	12.6	(4.0)	0.6	3.0	6.9	16.2	15.7
Store presence											
No of outlets	822	858	896	901	905	905	902	905	908	905	897
Towns	335	354	352	357	358	359	353	351	349	346	339

Source: Company, JM Financial

Exhibit 5. Operational performance

	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Sales value growth (%)											
World of Titan	31	14	18	8	8	7	12	13	15	31	18
Tanishq	13	14	25	22	27	16	19	9	21	28	20
Helios	46	32	45	40	38	36	30	24	43	47	38
Fastrack	26	19	11	(4)	5	(5)	6	15	14	27	20
LFS-Watches	63	20	42	33	15	14	4	5	11	18	14
Titan Eye +	12	14	22	13	9	-	4	8	5	11	10
Like to Like growth (%)											
World of Titan	26	8	11	2	2	7	7	9	11	25	14
Tanishq	9	9	19	22	22	10	14	3	15	22	15
Helios	27	11	21	20	18	20	14	11	28	34	24
Fastrack	26	18	8	(11)	(7)	(13)	(4)	5	5	14	12
LFS-Watches	52	25	37	13	4	12	(8)	(7)	3	16	10
Titan Eye +	1	1	10	3	-	(6)	-	7	3	9	-
No of stores (Total Presence)											
Tanishq	403	411	423	433	443	466	479	491	502	515	522
Caratlane	157	175	222	233	246	262	272	275	286	306	322
Mia	79	93	111	119	145	162	178	197	209	222	234
Zoya	6	6	7	7	8	8	8	11	12	12	12
World of Titan	577	601	622	636	646	655	665	670	688	700	720
Helios	165	182	198	207	212	223	237	242	256	266	276
Fastrack	163	170	185	188	193	198	218	225	227	228	239
Titan Eye/Fastrack	827	863	901	908	913	913	905	908	910	907	898
Taneira	31	36	41	47	51	62	73	77	81	82	81

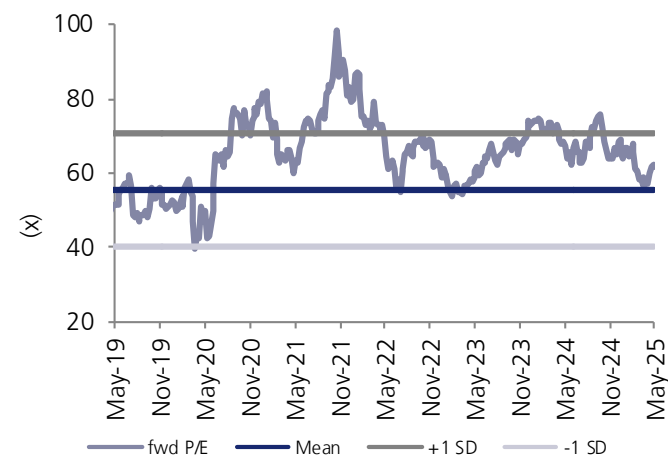
Source: Company, JM Financial

Exhibit 6. Key assumptions

(INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Jewelry business								
Net revenues	179,630	244,780	337,060	414,080	508,420	609,086	708,481	821,092
Rev growth YoY (%)	3.7	36.3	37.7	22.9	22.8	19.8	16.3	15.9
EBITDA	18,840	32,400	45,950	51,000	52,388	69,131	81,830	96,068
EBITDA growth YoY (%)	(13.9)	72.0	41.8	11.0	2.7	32.0	18.4	17.4
EBITDA margin (%)	10.5	13.2	13.6	12.3	10.3	11.4	11.6	11.7
Total gold sold (tonnes)	26.6	36.8	44.4	47.1	44.4	48.9	54.4	60.4
Change YoY (%)	(16.0)	38.2	20.8	6.1	(5.9)	10.3	11.3	10.9
Average gold price (Rs/gm)	51,178	50,666	55,733	63,536	79,419	97,090	100,974	105,013
Change YoY (%)	32.0	(1.0)	10.0	14.0	25.0	22.3	4.0	4.0
Studded share (%)	26.0	28.5	29.3	28.5	27.0	28.0	28.5	29.0
Total # of stores	357	394	430	487	534	595	650	710
Watches business								
Net revenues	15,870	23,170	33,100	39,300	45,980	52,528	59,647	67,511
Rev growth YoY (%)	(39.5)	46.0	42.9	18.7	17.0	14.2	13.6	13.2
EBITDA	(450)	1,960	5,040	5,240	6,973	8,163	9,418	10,829
EBITDA growth YoY (%)	(111.1)	(535.6)	157.1	4.0	33.1	17.1	15.4	15.0
EBITDA margin (%)	(2.8)	8.5	15.2	13.3	15.2	15.5	15.8	16.0
Watches sold (mn)	9.9	14.4	16.0	17.6	19.8	21.5	23.3	25.1
Change YoY (%)	(40.0)	45.0	11.0	10.0	12.4	8.8	8.3	8.0
Eyewear								
Net revenues	3,750	5,170	6,890	7,260	8,010	9,072	10,094	11,197
Rev growth YoY (%)	(31.1)	37.9	33.3	5.4	10.3	13.3	11.3	10.9

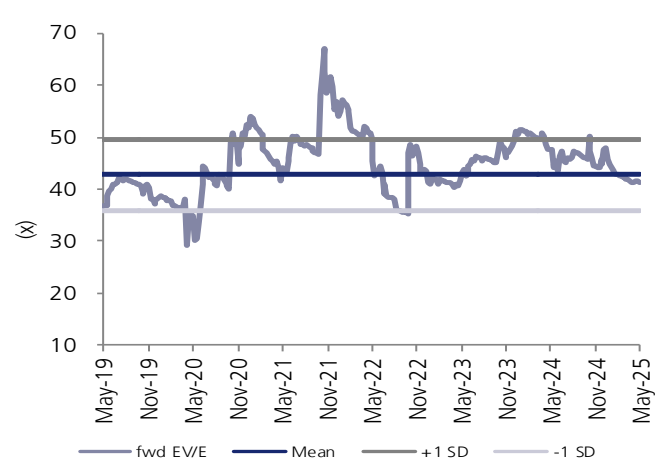
Source: Company, JM Financial

Exhibit 7. P/E (x) 1 year forward



Source: Bloomberg

Exhibit 8. EV/EBITDA (x) 1 year forward



Source: Bloomberg

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	5,10,840	6,04,560	6,84,959	7,96,464	9,21,449
Sales Growth	25.9%	18.3%	13.3%	16.3%	15.7%
Other Operating Income	0	0	0	0	0
Total Revenue	5,10,840	6,04,560	6,84,959	7,96,464	9,21,449
Cost of Goods Sold/Op. Exp	3,94,320	4,74,560	5,26,478	6,09,732	7,02,958
Personnel Cost	18,640	21,560	24,085	27,607	31,479
Other Expenses	44,960	51,500	59,034	69,440	81,259
EBITDA	52,920	56,940	75,363	89,685	1,05,754
EBITDA Margin	10.4%	9.4%	11.0%	11.3%	11.5%
EBITDA Growth	8.5%	7.6%	32.4%	19.0%	17.9%
Depn. & Amort.	5,840	6,930	7,941	9,081	10,329
EBIT	47,080	50,010	67,421	80,604	95,424
Other Income	5,330	4,860	4,650	4,468	4,466
Finance Cost	6,190	9,530	9,510	6,807	5,711
PBT before Excep. & Forex	46,220	45,340	62,562	78,264	94,179
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	46,220	45,340	62,562	78,264	94,179
Taxes	11,260	11,980	16,530	20,679	24,885
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	10	10	10	10
Reported Net Profit	34,960	33,370	46,041	57,595	69,304
Adjusted Net Profit	34,960	33,370	46,041	57,595	69,304
Net Margin	6.8%	5.5%	6.7%	7.2%	7.5%
Diluted Share Cap. (mn)	887.8	887.8	887.8	887.8	887.8
Diluted EPS (INR)	39.4	37.6	51.9	64.9	78.1
Diluted EPS Growth	7.6%	-4.5%	38.0%	25.1%	20.3%
Total Dividend + Tax	9,766	9,766	11,541	13,317	15,980
Dividend Per Share (INR)	11.0	11.0	13.0	15.0	18.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	46,220	45,350	62,572	78,274	94,189
Depn. & Amort.	5,840	6,930	7,941	9,081	10,329
Net Interest Exp. / Inc. (-)	860	4,670	4,860	2,340	1,245
Inc (-) / Dec in WCap.	-25,360	-52,260	25,044	-24,040	-27,535
Others	1,120	790	100	0	0
Taxes Paid	-11,730	-10,890	-16,530	-20,679	-24,885
Operating Cash Flow	16,950	-5,410	83,986	44,976	53,344
Capex	-6,710	-4,700	-8,220	-9,358	-10,597
Free Cash Flow	10,240	-10,110	75,767	35,617	42,747
Inc (-) / Dec in Investments	2,330	7,280	-10	-10	-10
Others	2,490	2,880	4,650	4,468	4,466
Investing Cash Flow	-1,890	5,460	-3,579	-4,901	-6,141
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-8,880	-9,760	-11,541	-13,317	-15,980
Inc / Dec (-) in Loans	56,290	22,210	-54,840	-15,520	-17,500
Others	-60,700	-12,520	-13,931	-11,416	-10,615
Financing Cash Flow	-13,290	-70	-80,312	-40,253	-44,095
Inc / Dec (-) in Cash	1,770	-20	95	-178	3,108
Opening Cash Balance	13,490	15,860	15,840	15,935	15,757
Closing Cash Balance	15,260	15,840	15,935	15,757	18,865

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	93,930	1,16,240	1,50,740	1,95,018	2,48,342
Share Capital	890	890	890	890	890
Reserves & Surplus	93,040	1,15,350	1,49,850	1,94,128	2,47,452
Lease Liabilities	20,320	23,180	24,476	25,796	27,176
Minority Interest	0	0	0	0	0
Total Loans	78,380	1,02,860	48,020	32,500	15,000
Def. Tax Liab. / Assets (-)	-1,840	-1,680	-1,680	-1,680	-1,680
Total - Equity & Liab.	1,90,790	2,40,600	2,21,556	2,51,634	2,88,838
Net Fixed Assets	38,060	41,670	47,565	53,772	60,323
Gross Fixed Assets	27,330	31,381	39,600	48,959	59,555
Intangible Assets	4,370	4,450	4,450	4,450	4,450
Less: Depn. & Amort.	9,950	12,831	16,451	20,923	26,348
Capital WIP	16,310	18,670	19,966	21,286	22,666
Investments	23,450	19,880	19,890	19,900	19,910
Current Assets	2,52,120	3,43,220	3,28,439	3,75,830	4,32,005
Inventories	1,90,510	2,81,840	2,62,724	3,04,402	3,50,908
Sundry Debtors	10,180	10,680	11,913	13,634	15,521
Cash & Bank Balances	15,260	15,840	15,935	15,757	18,865
Loans & Advances	23,470	22,610	25,617	29,787	34,461
Other Current Assets	12,700	12,250	12,250	12,250	12,250
Current Liab. & Prov.	1,22,840	1,64,170	1,74,338	1,97,868	2,23,400
Current Liabilities	67,510	97,730	99,460	1,11,287	1,23,701
Provisions & Others	55,330	66,440	74,878	86,581	99,698
Net Current Assets	1,29,280	1,79,050	1,54,101	1,77,962	2,08,606
Total - Assets	1,90,790	2,40,600	2,21,556	2,51,634	2,88,838

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	6.8%	5.5%	6.7%	7.2%	7.5%
Asset Turnover (x)	2.9	2.7	2.9	3.3	3.4
Leverage Factor (x)	1.7	2.1	1.8	1.4	1.2
RoE	32.8%	31.8%	34.5%	33.3%	31.3%

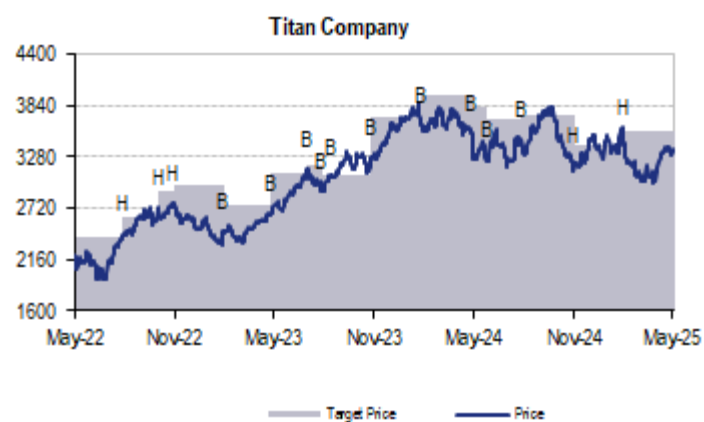
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	105.8	130.9	169.8	219.7	279.7
ROIC	25.0%	20.4%	25.7%	30.1%	30.8%
ROE	32.8%	31.8%	34.5%	33.3%	31.3%
Net Debt/Equity (x)	0.7	0.7	0.2	0.1	0.0
P/E (x)	85.6	89.6	65.0	51.9	43.2
P/B (x)	31.8	25.7	19.8	15.3	12.0
EV/EBITDA (x)	57.7	54.1	40.1	33.5	28.3
EV/Sales (x)	6.0	5.1	4.4	3.8	3.2
Debtor days	7	6	6	6	6
Inventory days	136	170	140	140	139
Creditor days	48	59	53	51	49

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
30-Apr-21	Hold	1,415	
5-Aug-21	Hold	1,560	10.2
28-Oct-21	Hold	1,905	22.1
4-Feb-22	Hold	2,335	22.6
4-May-22	Hold	2,410	3.2
5-Aug-22	Hold	2,620	8.7
7-Oct-22	Hold	2,900	10.7
5-Nov-22	Hold	2,980	2.8
3-Feb-23	Buy	2,745	-7.9
3-May-23	Buy	3,090	12.6
7-Jul-23	Buy	3,190	3.2
3-Aug-23	Buy	3,070	-3.8
19-Aug-23	Buy	3,085	0.5
3-Nov-23	Buy	3,705	20.1
1-Feb-24	Buy	3,940	6.3
4-May-24	Buy	3,825	-2.9
31-May-24	Buy	3,685	-3.7
2-Aug-24	Buy	3,730	1.2
6-Nov-24	Hold	3,400	-8.9
5-Feb-25	Hold	3,550	4.4

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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