TITAN COMPANY

nuvama institutional equities

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Neutral
Price (INR)	3,814
12 month price target (INR)	4,672
52 Week High/Low	3,827/2,925
Market cap (INR bn/USD bn)	3,386/38.2
Free float (%)	41.0
Avg. daily value traded (INR mn)	3,738.3

SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
Promoter	52.90%	52.90%	52.90%
FII	16.11%	17.54%	17.82%
DII	13.99%	12.59%	12.01%
Pledge	0.00%	0.00%	0.00%

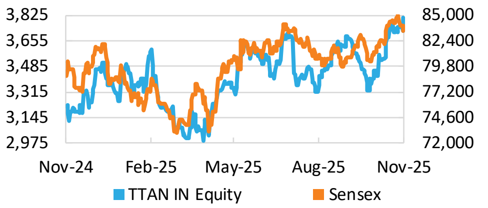
FINANCIALS (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	6,04,560	7,51,567	8,53,346	9,88,420
EBITDA	56,940	83,301	98,785	1,16,387
Adjusted profit	33,360	49,189	63,057	75,057
Diluted EPS (INR)	37.5	55.3	70.9	84.3
EPS growth (%)	(4.5)	47.4	28.2	19.0
RoAE (%)	31.7	36.9	36.5	33.9
P/E (x)	81.9	69.0	53.8	45.2
EV/EBITDA (x)	50.5	42.0	35.2	29.7
Dividend yield (%)	0	0	0	0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	7,51,567	8,53,346	+7.2%	+3.3%
EBITDA	83,301	98,785	+8.2%	+7.2%
Adjusted profit	49,189	63,057	+3.9%	+5.1%
Diluted EPS (INR)	55.3	70.9	+3.9%	+5.1%

PRICE PERFORMANCE



Impressive quarter; positive forecast

Titan reported strong standalone Q2FY26 revenue/EBITDA/PAT growth of 18%/43%/46% YoY despite a challenging high base. After adjusting for base one-offs, EBITDA/PAT were still 14%/9% higher. Core jewellery margins proved resilient, holding up well despite much higher A&P spends and increased sale of low-margin gold coins. Management expects Q3FY26 jewellery growth to accelerate significantly owing to strong upbeat festive and wedding demand.

Factoring in the robust performance, we are tweaking revenue/PAT for FY26E by +7.2%/+3.9% and FY27E by +3.3%/+5.1%. This along with a valuation rollover to H1FY28E yields a revised TP of INR4,672 (earlier INR4,479); maintain 'BUY'.

Festive demand and exchange schemes drive buyer growth

The jewellery division grew 19% YoY to INR128bn (ex-bullion) led by 18.9% YoY growth in domestic operations. Growth was driven by higher-ticket sizes, though buyers declined 2% YoY; gold jewellery (ex-coins) buyers fell 11% YoY, whereas studded jewellery buyers rose 3% YoY. LTL growth stood at 14%. Titan added six Tanishq, 18 Mia and ten Caratlane stores during the quarter. Studded mix (ex-Caratlane) moderated to 29.3% (versus 30% in Q2FY25); this was mainly due to a 65% rise in coin sales, reflecting strong investment demand. As per our estimate, Coins contribution stood at about 10% in Q2FY26 and increased ~3% YoY from 7% in Q2FY25. Overall Jewellery EBIT margin (including margin on primaries to international stores) stood at 10.8% versus 11.4% (adjusted) in Q2FY25, impacted by higher coin mix and 34% YoY jump in A&P. Management maintained 11% EBIT margin guidance. Wedding season outlook is looking strong, with momentum continuing post-festive period in October. Management additionally emphasised on driving exchange promotional programmes to capitalise on that lever of growth.

Caratlane delivered 29% YoY growth helped by 15% LTL growth with EBIT margin improving to 10.2% (versus 7% in Q2FY25). International jewellery revenue rose 84% YoY with an EBIT of INR160mn (2.9% margin), marking a second consecutive profitable quarter driven by a strong performance in UAE and North America.

Watches momentum sustains; Eyecare business slows down

Watches & Wearables revenue rose 13.1% YoY driven by 12% analog volume growth and 27% channel growth led by Helios. The segment expanded its store network and targets 15–16% margins for the next two years. Eyecare showed single-digit growth with 5.5% EBIT margins, aiming for 13–14% top-line growth in FY26. Emerging Categories grew 34% YoY while reducing losses to INR240mn.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	1,87,250	1,45,340	28.8	1,65,230	13.3
EBITDA	18,750	12,360	51.7	18,300	2.5
Adjusted Profit	11,190	7,030	59.2	10,910	2.6
Diluted EPS (INR)	12.6	7.9	59.2	12.3	2.6

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Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	6,04,560	7,51,567	8,53,346	9,88,420
Gross profit	1,30,000	1,77,048	2,02,557	2,35,813
Employee costs	21,560	27,779	32,053	37,508
Other expenses	51,500	65,968	71,718	81,918
EBITDA	56,940	83,301	98,785	1,16,387
Depreciation	6,930	9,059	10,451	11,987
Less: Interest expense	9,530	10,019	10,263	11,245
Add: Other income	4,860	4,728	6,562	7,582
Profit before tax	45,340	68,951	84,634	1,00,736
Prov for tax	11,980	19,762	21,577	25,680
Less: Other adj	0	0	0	0
Reported profit	33,360	49,189	63,057	75,057
Less: Excp.item (net)	0	0	0	0
Adjusted profit	33,360	49,189	63,057	75,057
Diluted shares o/s	890	890	890	890
Adjusted diluted EPS	37.5	55.3	70.9	84.3
DPS (INR)	0	0	0	0
Tax rate (%)	26.4	28.7	25.5	25.5

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	890	890	890	890
Reserves	1,15,350	1,49,782	1,93,922	2,46,461
Shareholders funds	1,16,240	1,50,672	1,94,812	2,47,351
Minority interest	0	0	0	0
Borrowings	1,80,960	1,48,690	1,68,020	1,93,673
Trade payables	19,630	20,544	23,271	26,912
Other liabs & prov	270	270	270	270
Total liabilities	4,04,770	4,25,929	5,04,817	6,03,022
Net block	36,290	35,424	33,426	30,163
Intangible assets	4,450	4,450	4,450	4,450
Capital WIP	930	930	930	930
Total fixed assets	41,670	40,804	38,806	35,543
Non current inv	19,880	19,880	19,880	19,880
Cash/cash equivalent	15,840	25,902	63,233	1,06,609
Sundry debtors	10,680	14,977	17,005	19,697
Loans & advances	32,950	40,236	44,284	49,657
Other assets	2,83,750	2,84,130	3,21,608	3,71,635
Total assets	4,04,770	4,25,929	5,04,817	6,03,022

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Watches rev. growth (%)	17.2	17.2	15.0	15.9
Jewellery rev. gth. (%)	16.4	22.5	12.1	15.0
Eyewear rev. growth (%)	9.9	11.0	8.0	8.0
EBITDA margin (%)	9.4	11.1	11.6	11.8
Net profit margin (%)	5.5	6.5	7.4	7.6
Revenue growth (% YoY)	18.3	24.3	13.5	15.8
EBITDA growth (% YoY)	7.6	46.3	18.6	17.8
Adj. profit growth (%)	(4.5)	47.4	28.2	19.0

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	33,360	49,189	63,057	75,057
Add: Depreciation	6,930	9,059	10,451	11,987
Interest (net of tax)	6,385	6,713	6,876	7,534
Others	(1,04,355)	8,623	(63,995)	(85,121)
Less: Changes in WC	(52,260)	5,022	(30,410)	(40,625)
Operating cash flow	(5,420)	68,561	46,799	50,082
Less: Capex	(4,700)	(3,000)	(3,000)	(3,000)
Free cash flow	(10,120)	65,561	43,799	47,082

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.3	6.5	6.5	6.5
Repo rate (%)	5.3	5.3	5.3	5.3
USD/INR (average)	85.0	85.0	85.0	85.0
Others segment gth. (%)	7.4	10.0	10.0	10.0
COGS (%)	79.8	78.5	78.5	78.5
A&P spends (%)	4.5	4.5	4.5	4.5
Tax rate	26.4	28.7	25.5	25.5
Div. as % of net profit	26.4	28.7	25.5	25.5
Debtor days	6.4	6.3	6.9	6.8

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	31.7	36.9	36.5	33.9
RoCE (%)	21.1	26.5	28.7	27.9
Inventory days	182	178	166	164
Receivable days	6	6	7	7
Payable days	13	13	12	12
Working cap (% sales)	50.6	42.2	41.9	41.7
Gross debt/equity (x)	1.6	1.0	0.9	0.8
Net debt/equity (x)	1.4	0.8	0.5	0.4
Interest coverage (x)	5.2	7.4	8.6	9.3

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	81.9	69.0	53.8	45.2
Price/BV (x)	29.2	22.5	17.4	13.7
EV/EBITDA (x)	50.5	42.0	35.2	29.7
Dividend yield (%)	0	0	0	0

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	(4.5)	47.4	28.2	19.0
RoE (%)	31.7	36.9	36.5	33.9
EBITDA growth (%)	7.6	46.3	18.6	17.8
Payout ratio (%)	0	0	0	0

Source: Company and Nuvama estimates

Q2FY26 conference call takeaways

Management commentary

- Management described Q2FY26 as a very satisfying quarter, with strong performance across businesses, markets and subsidiaries.
- Festive season sales (October, Diwali) were strong both for Titan and the broader jewellery industry.
- Buyer growth improved during the festive period versus Q2, supported by exchange schemes and marketing campaigns.
- Exchange offers have emerged as a key lever for volume and value growth when new buyer additions slow.
- Wedding season outlook strong, with momentum continuing post-Diwali.
- Sharp rise in gold prices initially caused some consumer hesitation, especially in lower price bands sub-INR100k.
- Mid-to-high-end consumers adjusted to higher prices faster and resumed buying during festivals.
- Customers have largely accepted higher gold prices supported by promotions and exchange offers.
- **Impact of initiatives on margin:**
  - **18-Karat:** This is not expected to have a negative bearing on margins and can slightly improve them if it scales up.
  - **Exchange program:** The exchange offers have a small implication on margins, which the company views as a conscious investment to stimulate demand.
  - **One-off hedging gain:** The 50 bps one-off inventory gain in Q1 was not reversed in Q2. Management stated that new contracts kicked in, and there was no net impact in Q2 from reversal and new accruals.
- **Inventory:** The significant increase in consolidated inventory was attributed primarily to the high gold price impacting valuation and, secondarily, to seasonal stocking for an earlier festive season along with inventory for newer stores.

Jewellery

- **Gold Exchange program:** The company launched an aggressive gold exchange campaign, supported by a strong marketing message, which might have swung the festive season significantly. This is viewed as a strategic, long-term tool for customer acquisition and trust-building, rather than a tactical discount
- **Sluggish Buyer growth:** Buyer growth remains a significant challenge due to high gold prices and broader economic pressures on the middle class. Overall buyer growth for the quarter was -2%.
- **Divergence in buyer volumes:** A clear divergence was seen in Q2 buyer growth:
  - *Gold Jewellery:* Buyer growth was negative at -11%, primarily driven by sluggishness in the sub-INR 1 lakh segment.
  - *Studded Jewellery:* Buyer growth was positive at +3%, continuing a multi-quarter trend of outperforming plain gold jewellery.

- **Studded mix:** Management did not confirm the hypothesis that high gold prices naturally lead to consumers upgrading to studded items. However, high-value studded jewellery (defined as >INR2 lakhs) saw its contribution increase by 100bp YoY to 14% of the overall business in Q2. Q2 has higher diamond share due to the 'Festival of Diamonds campaign'. Coins saw exceptionally high growth (65% YoY), indicating strong investment demand.

- **Store expansion:** Tanishq's domestic store opening target for the full year remains 35-40, despite execution delays in the first half. Management is also heavily focused on renovating and expanding 70-80 existing stores this year.

- 18K and 14K jewelry pilot received good response; expected to scale up going forward.

- **International business:** The North American market continues to power ahead, demonstrating particularly heartening performance in studded jewellery. The overall international jewellery business turned profitable in Q2, compared to a loss in the same quarter last year, thus contributing to consolidated margin improvement.

Watches and wearables

- Watches margins: Target range 15–16% over next 1–2 years.

- Festive season watch sales grew ~16% YoY, driven by new launches and premiumization.

- Recent successful launches include Jazda, Edge on Rustlin, Deller, and upgraded Fasttrack/Sonata offerings.

- Expansion of Helios premium stores to continue.

Eyewear (Titan Eye+)

- Industry growth estimated at 7–8%, Titan growing slightly ahead of industry.

- FY26 growth target: 13–14%.

- Fully vertically integrated model with in-house manufacturing of lenses and frames and 12 fitting labs for quick delivery.

- Investments made earlier in digital and omnichannel capabilities now supporting growth.

TEAL (Titan Engineering and Automation Ltd)

- No synergy with consumer-facing businesses; operates as a global B2B tech manufacturing unit.

- No current plan to demerge or list separately; Titan intends to continue managing it as a distinct subsidiary with its own governance.

Lab-grown diamonds

- **Market development:** Management noted that the LGD market is developing slowly and steadily, with many new players entering the space and expanding their store presence.

- **Supply-side push:** The LGD market in the US is currently sluggish. This is compelling diamond growers to seek other markets, with India being seen as possibly the most convenient market. As a result, increased investments in LGD can be expected in India.

- **Competitive economics:** Management understands that some LGD players may be under stress regarding their unit economics, but they continue to invest in expansion, hoping for a swing.
- **Consumer demand at Titan:** Management stated they have not really seen demand for LGDs within their own brands, including CaratLane and Mia. Customers are not actively coming and asking us give us LGDs.
- **Early adopter profile:** While management perceives a growing interest in the category, it has not yet translated into sales numbers. Their current observation is that perhaps the more accomplished diamond buyer is playing with LGDs as an early adopter, not necessarily the new entrants as the notion earlier was

Outlook

- Exchange offers have emerged as a key lever for volume and value growth when new buyer additions slow.
- Wedding season outlook strong, with momentum continuing post-Diwali.
- Management seems confident of achieving higher YTD growth in 9MFY26 as compared to H1FY26's run rate given the strong wedding demand.

Exhibit 1: Margin summary

	Q2FY26	Q2FY25	Y-o-Y % growth	Q1FY26	Q-o-Q % growth
Revenue					
Watches	14,710	13,010	13	12,640	16
Jewellery*	1,27,850	1,07,630	19	1,15,210	11
Eyewear	2,180	2,010	8	2,360	-8
Others	1,420	1,060	34	1,080	31
Corporate unallocated	680	870	-22	630	8
Total	**1,66,430**	**1,33,420**	**25**	**1,46,710**	**13**
PBIT					
Watches & clocks	2,390	1,940	23	2,354	2
Jewellery*	13,810	12,220	13	12,654	9
Eyewear	120	240	-50	210	-43
Others	-490	-220	NM	-340	NM
Total	**15,830**	**14,180**	**12**	**14,878**	**6**
PBIT margins			Change bp		Change bp
Watches & clocks	16.2	14.9	133.6	18.6	-237.9
Jewellery*	10.8	11.4	-55.2	11.0	-18.2
Eyewear	5.5	11.9	-643.6	8.9	-339.4
Others	-34.5	-20.8	-1375.2	-31.5	-302.6
Total	**9.5**	**10.6**	**-111.7**	**10.1**	**-63.0**

Source: Company, Nuvama Research

**: Ex bullion and one time gain of 50bp in margins for Q1FY26 and INR2.9bn hit for Q2FY25*
#: Ex of one time gain of 4pp in margins0

Exhibit 2: Store count trends

Store expansion	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Tanishq	403	411	423	433	445	466	479	491	502	515	522	526	533
Mia (standalone)	79	93	111	119	145	162	178	197	209	222	234	240	258
Carat Lane	157	175	222	233	246	262	272	275	286	306	323	332	342
Zoya	6	6	7	7	8	8	8	11	12	12	12	12	12
Total Jewellery	**645**	**685**	**763**	**792**	**844**	**898**	**937**	**974**	**1,009**	**1,055**	**1,091**	**1,110**	**1,145**
World of Titan	577	601	622	636	646	655	665	670	688	700	720	724	729
Fastrack	163	170	185	188	193	198	218	225	227	228	239	277	242
Helios	165	182	198	207	212	223	237	242	256	266	276	239	283
Helios Luxe												4	5
Total Watches	**905**	**953**	**1005**	**1031**	**1051**	**1076**	**1120**	**1,137**	**1,171**	**1,194**	**1,235**	**1,244**	**1,259**
EyePlus	827	863	901	908	913	913	905	908	910	907	898	879	884
Total	**2,377**	**2,501**	**2,669**	**2,731**	**2,808**	**2,887**	**2,962**	**3,019**	**3,090**	**3,156**	**3,224**	**3,233**	**3,288**

Source: Company, Nuvama Research

Exhibit 3: Key operational data

	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Growth (% YoY)												
Jewellery sales (Ex Bullion)	11.2	23.5	19.6	19.0	23.0	18.8	8.9	25.5	25.5	24.8	16.6	18.8
Watches & Wearables sales	14.5	40.0	13.4	31.7	21.1	7.9	14.7	19.1	14.9	19.8	23.8	13.1
Eyewear sales	11.5	23.1	10.9	12.6	-4.0	0.6	3.0	6.9	16.2	15.7	12.9	8.5
CaratLane sales	51.5	58.5	32.5	45.1	31.9	29.0	17.8	27.5	25.1	18.0	36.1	29.3
Like to Like growth (% YoY)												
Tanishq	9	19	22	22	10	14	3	15	22	15	11	14
World of Titan	8	11	2	2	3	7	9	11	25	14	15	11
Fastrack	18	8	-11	-7	-13	-4	5	5	14	12	12	10
Helios	11	21	20	18	20	14	11	28	34	24	22	14
LFS - Watches	25	37	13	4	12	-8	-7	3	16	10	17	7
Titan Eye+	1	10	3	0	-6	0	7	3	9	NA	NA	NA
EBIT Margins %												
Jewellery (Ex Bullion)	13.0	13.2	11.0	14.1	12.2	12.1	11.2	11.4	11.2	11.9	11.0	10.8
Watches & clocks	11.0	11.3	11.5	14.7	5.6	8.5	11.3	14.9	9.8	11.8	18.6	16.2
Eyewear	18.4	1.2	17.2	14.9	8.4	4.8	9.6	11.9	10.8	10.4	8.9	5.5
Other key data												
Studded share (%)	26.0	33.0	26.0	33.0	24.0	33.0	26.0	30.0	23.0	30.0	24.7	29.3

Source: Company, Nuvama Research

Exhibit 4: Caratlane key metrics, improving on all fronts

	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenues (INR mn)	4,480	6,770	5,800	6,400	6,500	8,930	7,480	7,540	8,290	11,170	8,830	10,260	10,720
Space (mn sq.ft)	0.16	0.19	0.27	0.29	0.32	0.35	0.37	0.38	0.39	0.41	0.43	0.44	0.45
Revenue (INR/Sq.ft)	29,867	38,466	24,946	22,575	20,062	27,819	21,556	20,242	21,730	27,960	21,642	23,613	24,117
EBIT				350	260	820	520	380	580	1,310	700	680	1,090
EBIT margins (%)				5.5	4.0	9.2	7.0	5.0	7.0	11.7	7.9	6.6	10.2
LTL (% YoY)	41	35	29	8	10	2	3	8	28	15	14	20	15

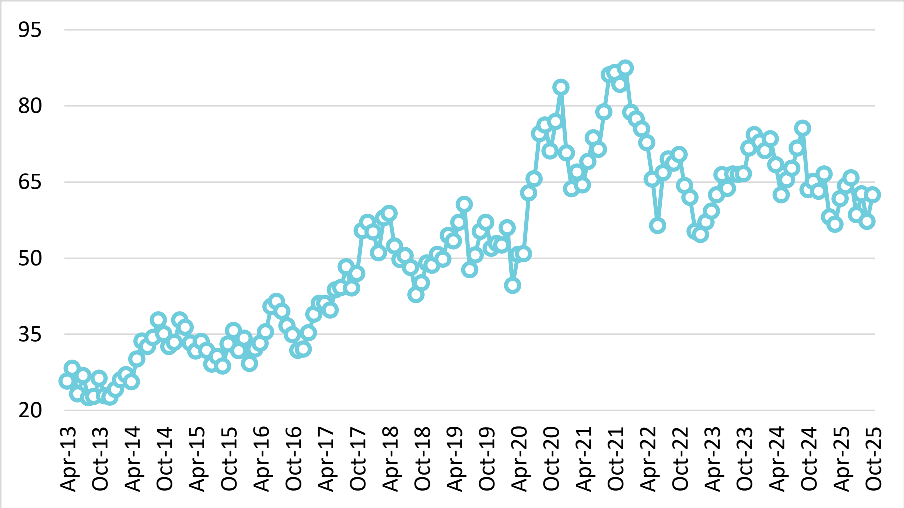
Source: Company, Nuvama Research

Exhibit 5: Valuation summary

SOTP	
Standalone PAT - Q1FY28	59,181
PE	65
Standalone Mcap - A	**38,46,796**
Q1FY28 sales	77,795
Target sales multiple (x)	4.0
Target Mcap - Caratlane - B	**3,11,181**
Total Equity Value - A + B	**41,57,977**
NOSH	890
TP (INR)	**4,672**
CMP	3,814
Upside (%)	**22.5%**

Source: Company, Nuvama Research

Exhibit 6: Valuation multiple – Forward P/E



Source: Company, Nuvama Research

Exhibit 7: Quarterly summary – Standalone

Year to March	Q2FY26	Q2FY25	% YoY	Q1FY26	% QoQ	H1FY26	H1FY25	% YoY
Net Sales	1,45,010	1,22,680	18.2	1,30,400	11.2	2,75,410	2,33,730	17.8
Cost of goods sold	1,32,290	1,03,600*	27.7	1,15,632*	14.4	2,47,922	1,98,880	24.7
Employee cost	4,850	4,100	18.3	4,670	3.9	9,520	8,260	15.3
Other Expenditure	12,000	10,220	17.4	10,100	18.8	22,100	19,200	15.1
Total expenditure	1,49,140	1,17,920	26.5	1,30,402	14.4	2,79,542	2,26,340	23.5
EBITDA	16,200	14,230	13.8	15,238	6.3	31,438	26,340	19.4
Depreciation	1,460	1,320	10.6	1,430	2.1	2,890	2,580	12.0
EBIT	14,740	12,910	14.2	13,808	6.7	28,548	23,760	20.2
Interest Expense	2,220	1,950	13.8	2,160	2.8	4,380	3,770	16.2
Other income	1,090	1,270	(14.2)	1,070	1.9	2,160	2,450	(11.8)
Profit Before Tax	13,610	12,230	11.3	12,718	7.0	26,328	22,440	17.3
Prior period items	-	-		-		0	0	
Provision for Tax	3,550	3,005	18.1	3,230	9.9	7,775	4,520	72.0
Exceptional items	-	-						
Reported Profit	10,060	9,225	9.1	9,489	6.0	18,553	17,920	3.5
Adjusted Profit	10,060	9,225	9.1	9,489	6.0	18,553	17,920	3.5
No. of Shares outstanding (mn)	890	890	-	890	-	890	890	7.1
Adjusted Diluted EPS	11.3	10.4	9.1	10.7	6.0	20.8	20.1	10.6
as % of net revenues								
COGS	80.0	78.4	161.5	79.4	61.5	79.7	78.7	(101.4)
Staff expenses	3	3	(16.9)	3	(27.3)	3	3	20.8
Other Expenditure	7	8	(47.6)	7	32.3	7	8	49.2
EBITDA	9.8	10.8	(97.0)	10.5	(66.5)	10.1	10.4	31.5
EBIT	9	10	(85.4)	9	(56.6)	9	9	22.3
PBT	8.2	9.3	(102.3)	8.7	(50.1)	8.5	8.9	41.5
Adjusted Profit	6	7	(89.6)	7	(43.1)	6	7	112.6

Source: Company, Nuvama Research

** Adjusted for inventory loss of INR2.9bn due to custom duty cut in Q2FY25 and INR1.08bn of hedging gain in Q1FY26*

Company Description

Titan was incorporated in 1984 as a JV between the TATA Group and Tamil Nadu Industrial Development Corporation (TIDCO), a Government of Tamil Nadu undertaking. The company started with manufacturing watches and is now India's leading watch manufacturer and retailer. Titan has now diversified into eyewear, fragrances, saree, accessories range, licensed products and precision engineering. Jewellery business now contributes ~70% to sales with Tanishq being the largest and most reputed jeweller in the organised space.

Investment Theme

The Indian retail landscape is evolving with inter-play of several demographic and economic factors. The long-term prospects backed by changing consumer behaviour in favour of larger discretionary spending has set the stage for healthy growth in the retail space over the next five years. The big opportunity lies in the growing share of organised retail with growing trend among consumers to allocate a larger share of income to consumption and gradual improvement in lifestyle.

Titan has assiduously positioned itself in the premium designer jewellery space. We believe, the company has the ability to create significant value with its large distribution presence, strong brand, designing skills and proven execution track record. Titan has proved its mettle time and again by emerging strong and successful against various regulatory hurdles that have emerged over the past one year. With robust balance sheet, strong brand equity and professional management team in place we remain bullish on Titan.

Key Risks

Reduction in customs duty: Customs duty, which is currently at 10%, has led to rampant smuggling and it is likely that it will be reduced in the near term. Any further hike in customer duty can be a negative.

Deterioration of macro conditions: Poor macro outlook could lead to prolonged slowdown in the company's growth as its revenue depend on discretionary spend.

Volatility in gold prices: Gold prices have a significant bearing on gold demand. Any steep rise in prices results in lower demand and investment buying that comes in is low margin.

Margin pressure due to deterioration in product mix and investment buying: Down trading in watches and jewellery divisions on account of fall in discretionary spending and higher growth in tier II and IV towns could impact margin.

Business seasonal, restricted to marriage season and festivals: The jewellery segment is seasonal with respect to marriage season and festivals. Additionally, the number of wedding dates vary in a year. This could impact the company's revenue.

Regulatory hurdles: As gold is one of the key import articles, government actions to curb its demand thereby impacts the jewellery business by reducing demand and/or increasing costs like customs duty, lease rate, etc if not eased / tightened further pose a risk to the jewellery business.

Additional Data

Management

Managing Director	C K Venkatraman
CFO	Ashok Sonthalia
Chairman	Mr. Arun Roy
Vice Chairman	N N Tata
Auditor	BSR & Co., LLP

Holdings – Top 10*

	% Holding		% Holding
LIC	2.46	UTI AMC	1.01
Vanguard Group	1.76	HDFC AMC	0.80
ICICI Pru AMC	1.63	ICICI Pru Life	0.63
SBI Funds	1.57	Ewart Investments	0.56
Blackrock	1.53	Morgan Stanley	0.51

*Latest public data

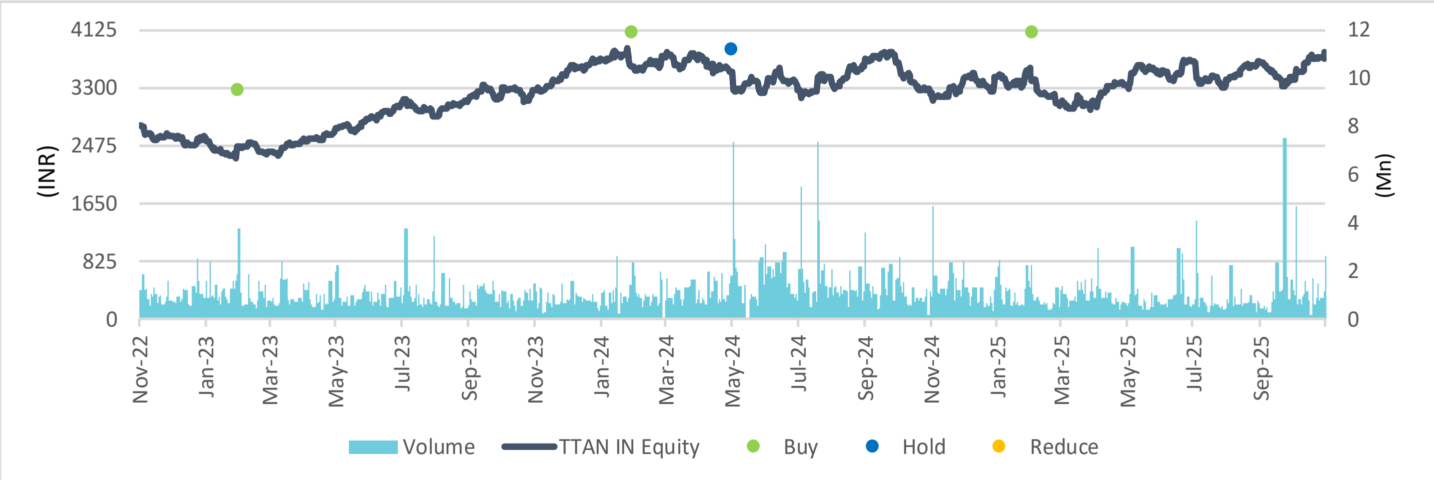
Recent Company Research

Date	Title	Price	Reco
07-Aug-25	Ticket size up with no buyer growth; *Result Update*	3,416	Buy
25-Jul-25	Acquisition of Damas LLC; *Company Update*	3,463	Buy
08-May-25	Solid growth, margins shine; outlook pro; *Result Update*	3,345	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
31-Oct-25	Vedant Fashions	Another weak quarter; *Result Update*
31-Oct-25	Restaurant Brands Asia	Q3 starts on strong footing; *Result Update*
30-Oct-25	Bata	Slow showing persists; *Result Update*

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

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