

Titan Company | BUY

Revenue growth robust; broad based profitability improvement

Titan's robust revenue growth of 17% YoY (ex-bullion) was led by ~17% jewellery growth (12% LFL) and 24% growth in watches. Broad based improvement in profitability across segments was one of the key positives from the result despite adjusting for INR 1 bn of one-off gains, which would reverse in the coming quarters. Jewellery EBIT margins remained healthy at ~11 (ex-hedging gains of 50bps) despite ~200 bps contraction in studded ratio. International jewellery business also turned profitable for the first time. Watches segment EBIT margins also stood at ~18.5% (adjusting for 400 bps of revaluation gains) while losses reduced in others segment depicting focus on both growth and profitability across the segments. Store addition has been slower vs expectation in Q1 but company plans healthy store addition before the festive season. Surge in gold prices and high base due to custom duty cuts is expected to have an impact on the growth in the coming quarters. Company has initiated multiple steps like (i) pre ponement of 'festivals of diamonds' (ii) leveraging repeat customers amid high gold prices, (iii) driving higher basket sizes and (iv) introduction of 9 caratage jewellery to drive affordability and growth. Management has maintained its Jewellery EBIT margin guidance of 11-11.5%, and expects watches margins to remain in mid teens. We maintain BUY with a TP of INR 3,900, based on 57x Jun'27 EPS as our FY27-28 estimates remains broadly unchanged. Titan remains our top pick in the consumer space.

- **Jewellery growth remains strong; beat on PAT:** Standalone revenue grew ~17% YoY (ex-bullion), led by 17% underlying growth in jewellery (ex-bullion), robust 24% in watches, and 13% in eyewear. Reported EBITDA grew 35% YoY (12% above JMFe) as EBITDA margin expanded ~120bps YoY to 11.2% (12.4% ex-bullion; JMFe: 11%) led by gross margin expansion of ~40bps YoY to 21.3% (JMFe: 22.5%) and ~30/70bps lower employee/other expense partially offset by ~10bps YoY higher advertisement expenses. PAT grew 34% YoY to INR 10.3bn (13% above JMFe) as other income declined 9% YoY and interest/ depreciation grew 19%/13% YoY.
- **Hedging gains drives margin expansion despite lower studded share:** Jewellery underlying standalone revenue (ex-bullion) grew 17% YoY as secondary sales grew 17% YoY. Domestic Jewellery portfolio saw gold jewellery growth of 15% YoY and coins growth of 46% YoY with SSSG of ~12%. Only ~12% growth in studded segment resulted in ~200 bps contraction in studded ratio to ~23.9%. Underlying EBIT margin (ex-bullion) expanded ~30bps YoY to 11.5% (JMFe: 11%); margins were ahead of expectations primarily due to (i) hedging gains which are expected to reverse in future, and (ii) better operating leverage. Consolidated Jewellery revenue grew (ex-bullion) 20% YoY on 39% YoY increase in Caratlane business. Caratlane EBIT margin expanded ~100bps YoY to 6.6%. 4/5/9 store were added under Tanishq/ Mia/ Caratlane. **Watches** revenue grew 24% YoY, and EBIT increased to 2.5x (88% beat). 4/5 stores of Titan world/ Helios were added in 1Q. **Eyewear** revenue grew 13% YoY, and EBIT grew only by 5% YoY as margin contracted ~70bps YoY to 8.9% (JMFe: 9.8%). The company closed 19 store of Titan Eye+Fastrack.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	3,900
Upside/(Downside)	14.2%
Previous Price Target	3,725
Change	4.7%

Key Data – TTAN IN

Current Market Price	INR3,416
Market cap (bn)	INR3,032.4/US\$34.6
Free Float	40%
Shares in issue (mn)	887.8
Diluted share (mn)	887.8
3-mon avg daily val (mn)	INR3,203.4/US\$36.5
52-week range	3,867/2,925
Sensex/Nifty	80,623/24,596
INR/US\$	87.7

Price Performance

%	1M	6M	12M
Absolute	-6.8	-0.3	2.7
Relative*	-3.3	-3.7	0.5

* To the BSE Sensex

Financial Summary

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	5,10,840	6,04,560	6,94,308	8,09,179	9,36,486
Sales Growth (%)	25.9	18.3	14.8	16.5	15.7
EBITDA	52,920	56,940	78,879	90,481	1,06,713
EBITDA Margin (%)	10.4	9.4	11.4	11.2	11.4
Adjusted Net Profit	34,960	33,370	48,155	57,909	69,568
Diluted EPS (INR)	39.4	37.6	54.2	65.2	78.4
Diluted EPS Growth (%)	7.6	-4.5	44.3	20.3	20.1
ROIC (%)	25.0	20.4	27.0	30.0	30.7
ROE (%)	32.8	31.8	35.8	33.1	31.0
P/E (x)	86.7	90.9	63.0	52.4	43.6
P/B (x)	32.3	26.1	19.8	15.4	12.1
EV/EBITDA (x)	58.1	54.5	38.6	33.5	28.2
Dividend Yield (%)	0.3	0.3	0.4	0.4	0.5

Source: Company data, JM Financial. Note: Valuations as of 07/Aug/2025

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 (%)		Q1FY26E		Reported		Chg (%)
	Q1FY25	Q4FY25	Q1FY26	YoY	QoQ	JM Est	Chg (%)	FY24	FY25	YoY
Net operating revenues	120,530	134,770	145,640	21	8	132,159	10	471,140	548,420	16
Material cost	(95,280)	(105,550)	(114,550)	20	9	(102,407)	12	(369,420)	(437,400)	18
Gross profit	25,250	29,220	31,090	23	6	29,752	4	101,720	111,020	9
Employee cost	(4,160)	(4,470)	(4,670)	12	4	(4,300)	9	(15,030)	(17,170)	14
Advertising and promotion	(2,020)	(2,470)	(2,630)	30	6	(2,700)	(3)	(8,290)	(9,790)	18
Other expenditure	(6,960)	(7,900)	(7,470)	7	(5)	(8,200)	(9)	(28,160)	(31,140)	11
Total expenditure	(108,420)	(120,390)	(129,320)	19	7	(117,607)	10	(420,900)	(495,500)	18
EBITDA	12,110	14,380	16,320	35	13	14,552	12	50,240	52,920	5
Other income	1,180	1,170	1,070	(9)	(9)	1,100	(3)	5,100	4,930	(3)
Interest	(1,820)	(2,040)	(2,160)	19	6	(1,950)	11	(4,800)	(7,670)	60
Depreciation	(1,260)	(1,440)	(1,430)	13	(1)	(1,480)	(3)	(4,470)	(5,370)	20
PBT	10,210	12,070	13,800	35	14	12,222	13	46,070	44,810	(3)
Tax	(2,510)	(3,370)	(3,500)	39	4	(3,080)		(10,640)	(11,460)	8
PAT	7,700	8,700	10,300	34	18	9,142	13	35,430	33,350	(6)
Extraordinary items	-	-	-			-		-	-	
Net profit (reported)	7,700	8,700	10,300	34	18	9,142	13	35,430	33,350	(6)
EPS (Rs)	8.7	9.8	11.6	34	18	10.3	13	31.1	27.8	(11)
Ratios (% of net Sales)										
Gross margin (%)	20.9	21.7	21.3	39 bps	-34 bps	22.5	-117 bps	21.6	20.2	-135 bps
EBITDA margin (%)	10.0	10.7	11.2	115 bps	53 bps	11.0	19 bps	10.7	9.6	-102 bps
Employee cost	3.5	3.3	3.2	-25 bps	-12 bps	3.3	-5 bps	3.2	3.1	-6 bps
Advertising and promotion	1.7	1.8	1.8	12 bps	-3 bps	2.0	-24 bps	1.8	1.8	2 bps
Other expenditure	5.8	5.9	5.1	-65 bps	-74 bps	6.2	-108 bps	6.0	5.7	-30 bps
Income tax rate (% of PBT)	24.6	27.9	25.4	77 bps	-256 bps	25.2	16 bps	23.1	25.6	247 bps
Segment results										
Revenues										
Jewelry	107,870	120,960	130,000	21	7	116,572	12	422,920	492,270	16
Watches	10,210	11,260	12,640	24	12	12,558	1	39,040	45,760	17
Eyewear	2,090	1,920	2,360	13	23	2,341	1	7,240	7,960	10
Others	800	1,020	1,080	35	6	1,088	(1)	3,780	4,060	7
Unallocated	740	780	630	(15)	(19)	700	(10)	3,260	3,300	1
Total segment revenue	121,710	135,940	146,710	21	8	133,259	10	476,240	553,350	16
Segment PBIT										
Jewelry	11,030	13,310	13,230	20	(1)	12,823	3	47,260	47,640	1
Watches	1,150	1,330	2,860	149	115	1,520	88	3,970	5,530	39
Eyewear	200	200	210	5	5	229	(8)	850	850	-
Others	(260)	(370)	(140)	(46)	(62)	(300)	(53)	850	(1,240)	(246)
Unallocated	(90)	(360)	(200)	122	(44)	(100)	100	850	(300)	(135)
Total segment EBIT	12,030	14,110	15,960	33	13	14,172	13	53,780	52,480	(2)
Segment PBIT margin (%)										
Jewelry	10.2	11.0	10.2	-5 bps	-83 bps	11.0	-83 bps	11.2	9.7	-150 bps
Watches	11.3	11.8	22.6	1136 bps	1081 bps	12.1	1052 bps	10.2	12.1	191 bps
Eyewear	9.6	10.4	8.9	-68 bps	-152 bps	9.8	-91 bps	11.7	10.7	-107 bps
Others	(32.5)	(36.3)	(13.0)	1953 bps	2331 bps	(27.6)	1461 bps	22.5	(30.5)	-5303 bps
Total segment margin	9.9	10.4	10.9	99 bps	49 bps	10.6	24 bps	11.3	9.5	-181 bps

Source: Company, JM Financial

Exhibit 2. Quarterly consolidated performance (INR mn)

	Reported			Chg (%)		Q1FY26E			Reported	Chg (%)
	Q1FY25	Q4FY25	Q1FY26	YoY	QoQ	JM Est	Chg (%)	FY24	FY25	YoY
Net operating revenues	132,660	149,160	165,230	25	11	147,117	12	510,840	604,560	18
Material cost	(103,360)	(115,150)	(128,110)	24	11	(112,188)	14	(394,320)	(474,560)	20
Gross profit	29,300	34,010	37,120	27	9	34,929	6	116,520	130,000	12
Employee cost	(5,230)	(5,590)	(5,910)	13	6	(5,480)	8	(18,640)	(21,560)	16
Advertising and promotion	(2,900)	(3,200)	(3,280)	13	2	(3,900)	(16)	(11,480)	(13,080)	14
Other expenditure	(8,700)	(9,850)	(9,630)	11	(2)	(10,100)	(5)	(33,480)	(38,420)	15
Total expenditure	(120,190)	(133,790)	(146,930)	22	10	(131,668)	12	(457,920)	(547,620)	20
EBITDA	12,470	15,370	18,300	47	19	15,449	18	52,920	56,940	8
Other income	1,200	1,160	1,050	(13)	(9)	1,130	(7)	5,330	4,860	(9)
Interest	(2,300)	(2,520)	(2,710)	18	8	(2,450)	11	(6,190)	(9,530)	54
Depreciation	(1,640)	(1,830)	(1,840)	12	1	(1,885)	(2)	(5,840)	(6,930)	19
PBT	9,730	12,180	14,800	52	22	12,244	21	46,220	45,340	(2)
Tax	(2,580)	(3,470)	(3,890)	51	12	(3,230)	20	(11,270)	(11,980)	6
Share of profit of associates	-	-	-	-	-	-	-	(30)	10	(133)
Recurring PAT (after MI)	7,150	8,710	10,910	53	25	9,014	21	34,920	33,370	(4)
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net profit (reported)	7,150	8,710	10,910	53	25	9,014	21	34,920	33,370	(4)
EPS (Rs)	8.1	9.8	12.3	53	25	10.2	21	39.3	37.6	(4)
Ratios (% of net sales)										
Gross margin (%)	22.1	22.8	22.5	37 bps	-34 bps	23.7	-128 bps	22.8	21.5	-131 bps
EBITDA margin (%)	9.4	10.3	11.1	167 bps	77 bps	10.5	57 bps	10.4	9.4	-95 bps
Employee cost	3.9	3.7	3.6	-37 bps	-18 bps	3.7	-15 bps	3.6	3.6	-9 bps
Advertising and promotion	2.2	2.1	2.0	-21 bps	-17 bps	2.7	-67 bps	2.2	2.2	-9 bps
Other expenditure	6.6	6.6	5.8	-73 bps	-78 bps	6.9	-104 bps	6.6	6.4	-20 bps
Income tax rate (% of PBT)	26.5	28.5	26.3	-24 bps	-221 bps	26.4	-10 bps	24.4	26.4	203 bps
Segment results										
Revenues										
Jewelry	118,080	132,530	146,470	24	11	128,655	14	455,240	539,660	19
Watches	10,230	11,340	12,730	24	12	12,648	1	39,300	45,980	17
Eyewear	2,100	1,930	2,380	13	23	2,356	1	7,260	8,010	10
Others	2,770	3,850	4,150	50	8	3,988	4	11,380	12,750	12
Unallocated	680	670	550	(19)	(18)	600	(8)	2,990	3,020	1
Total segment revenue	133,860	150,320	166,280	24	11	148,247	12	516,170	609,420	18
Segment PBIT										
Jewelry	11,020	13,330	14,080	28	6	13,065	8	48,120	48,990	2
Watches	1,110	1,330	2,870	159	116	1,505	91	3,930	5,480	39
Eyewear	190	190	200	5	5	224	(11)	800	800	0
Others	(150)	260	610	(507)	135	100	510	46	80	74
Unallocated	(140)	(410)	(250)	79	(39)	(200)	25	(486)	(480)	(1)
Total segment EBIT	12,030	14,700	17,510	46	19	14,694	19	52,410	54,870	5
Segment PBIT margin (%)										
Jewelry	9.3	10.1	9.6	28 bps	-45 bps	10.2	-55 bps	10.6	9.1	-150 bps
Watches	10.9	11.7	22.5	1169 bps	1081 bps	11.9	1064 bps	10.0	11.9	191 bps
Eyewear	9.0	9.8	8.4	-65 bps	-145 bps	9.5	-113 bps	11.0	10.0	-104 bps
Others	(5.4)	6.8	14.7	2011 bps	794 bps	2.5	1219 bps	0.4	0.6	22 bps
Total segment margin	9.0	9.8	10.5	154 bps	75 bps	9.9	61 bps	10.2	9.0	-115 bps

Source: Company, JM Financial

Exhibit 3. We largely maintain our EPS estimates for FY27-28E

	Revised	FY26E Earlier	Chg (%)	Revised	FY27E Earlier	Chg (%)	Revised	FY28E Earlier	Chg (%)
Net revenues	694,308	684,959	1.4	809,179	796,464	1.6	936,486	921,449	1.6
EBITDA	78,879	75,363	4.7	90,481	89,685	0.9	106,713	105,754	0.9
EBITDA margin (%)	11.4	11.0		11.2	11.3		11.4	11.5	
PAT	48,145	46,031	4.6	57,899	57,585	0.5	69,558	69,294	0.4
EPS (Rs/share)	54.2	51.9	4.6	65.2	64.9	0.5	78.4	78.1	0.4
Net revenue break-up									
Jewellery	616,082	609,086	1.1	718,207	708,481	1.4	832,299	821,092	1.4
Watches	53,928	52,528	2.7	61,661	59,647	3.4	70,114	67,511	3.9
Eyewear	9,048	9,072	(0.3)	10,043	10,094	(0.5)	11,143	11,197	(0.5)
Others	19,713	18,924	4.2	23,655	22,709	4.2	27,203	26,115	4.2

Source: Company, JM Financial

Segmental performance

Jewellery

■ Demand

- Domestic business of Tanishq, Mia & Zoa grew 17% YoY to INR 113 bn despite challenging market conditions. Same store sales retail growth stood at 12%.
- The domestic jewellery portfolio saw gold jewellery growth of ~15% YoY, coins growth of ~46% YoY and studded growth of ~11% YoY. These growths were driven entirely by ticket size improvement with the average ticket size increasing by 16% YoY and offsetting the impact of elevated gold prices on customers.
- Q2FY25 is a high base quarter as it had deferment of sales from Q1 to Q2, and pump up demand led by custom duty cut. The demand has been well in Q2 till now.

- **Lower carat Jewellery** - Increase in the prices of gold during Valentine period resulted in vanishing of several products under INR 30,000. Management launched the 9 carat jewellery to cater that demand by launching the products online as customer were finding budget friendly gift items. Considering good demand traction, it added these products to some of its stores and is now planning to expand it across all the stores

■ Studded Jewellery

- Studded Jewellery grew at 16%, on a consolidated level, including Caratlane. The higher value segment of INR 5 lakhs+ and the sub INR 2 lakhs portfolio are both doing well. Value growth might be impacted as new customers may be entering at lower ticket sizes. The higher competitive intensity along with consumption pressure could also impact the growth of studded jewellery.
- Management estimates the studded Jewellery market to be worth INR 750 bn in FY25. Titan alone sold studded jewellery worth INR 170-180 bn in FY25 on a consolidated level. Buyer growth in studded jewellery is higher vs. gold jewellery.

- **Market share** - The Company registered gain in market share in FY25 based on multiple triangulations. In Q1, the company sustained its market share. Any incremental increase in market share will be driven by geographical market diversification and the segment mix.

- **Margins** - A one-time inventory revaluation gain of INR 1 bn is distributed equally between jewellery and watches segment. This will lead to ~50bps margin increase in the Jewellery segment and will get reversed in the coming quarters.

- **Caratlane (domestic) business** grew 39% YoY to INR 10 bn. Its targeted promotion bundled with gold coin offerings in the quarter generated excellent consumer response driving healthy customer acquisition. Studded segment grew ~35% YoY led by 60% YoY growth in solitaires category and double digit growth in gold jewellery. EBIT margin at 6.6% depicts its investment in growth and market share expansion. It added 9 stores in the quarter

- Increased sale of low margin complex products have restricted the gross margin expansion despite increase in gold prices. It is also getting highly competitive in terms of charging gold rates to its customers and introducing products at lower making charges or gold intensive products.
- **Store Expansion** - The Company remains on track to achieve its store opening target. Q1 was relatively slower vs expectations. It plans to ramp up store openings before the upcoming festive season and is also focusing on increasing the store sizes of its existing stores.
- India has emerged as the second largest market for diamonds in the world. Price correction in solitaire segment in last year has now stabilised and now growing at an equal pace with studded jewellery.
- **Lab Grown Diamonds**
 - The current LGD market is less than 2% of the overall studded diamond jewellery market. Entry barriers in the segment are very Management sees this segment as more of a commodity play. They believe that a few players may come in and focus on differentiation and consequently unit economics of the stores may come under pressure.
 - Entry of PE players in this segment could see an addition of 100-150 stores in the market. This business has grown at 2/3x in the past few years and on that base management sees a decline going forward.

Watches

- Segment grew ~24% YoY to INR 12.4 bn led by ~28% YoY growth in analog watches driven by both volume and pricing. Smart watches segment focussed on sustainable profitability optimization
- Premiumisation and continued focus on Sonata and Fast track has led to volume growth in the segment. All channels in the watch segment has done well. Same store retail growth across all key formats were in healthy double digits.
- Management believes that the overheated Smart watch market, caused by over-supply and price undercutting, has finally cooled down and the company's lower exposure to this segment has now benefited the company in hindsight. Going forward, Management expects Q2 to witness good demand traction. It expect to deliver mid-teens margins in FY26.

Eyewear

- Eyewear revenue grew ~3% YoY to INR 2.4 bn. Sunglasses growth significantly outpaced prescription products. International brands grew ~25% YoY reflecting consumer preference for premium product offerings.
- Management plans to position the products at multiple price points so the company can cater to a larger audience. Going forward, management will continue to rationalise any stores which are not profitable and provide a better value proposition and improved customer experience to drive growth (closed 20 stores net in Q1).

Other Businesses

- **TEAL** - Management is focusing on 3 growth drivers with TEAL: (i) Manufacturing and service business - this business is in the Aerospace segment and management is scaling this and moving up the value chain (ii) Automation solutions - This is a traditional automation business providing bespoke automation and assembly automation. Management continues work in electric vehicle space in this segment but demand has been unpredictable in this segment. (iii) Single large global customer which came with the acquisition of company.
- As for the international businesses, Q1 has remained well for the US business. Management is prepared in advance for any geo-political challenges and will avoid taking any reaction to its pricing. Sales to the US amount to 2% of the total sales of the company. Supply chain is a concern for management as the international business is becoming larger and they're exploring a different supply chain, but no concrete plans are in place at the moment. It has now achieved profitability in the international business.

Exhibit 4. Segmental performance

	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Jewelry business											
Revenue growth (%)	11.2	23.5	19.3	19.0	23.0	18.8	8.9	25.5	24.2	24.8	20.5
Volume growth (%)	1.0	10.0	4.0	4.0	8.0	8.0	(8.0)	1.0	-	-	-
Implied price/mix change (%)	10.1	12.3	14.8	14.5	13.9	10.0	18.4	24.3	24.2	24.8	20.5
Average gold price (Rs/10 gm)	54,908	59,275	62,396	61,458	63,021	65,625	74,688	74,524	79,586	86,625	98,588
Change (%)	9.0	14.0	15.4	15.2	14.8	10.7	19.7	21.3	26.3	32.0	32.0
Studded share (%)	26.0	33.0	26.0	33.0	24.0	33.0	26.0	30.0	23.0	30.0	23.9
Store presence											
Tanishq											
No	411	423	433	445	466	479	491	502	515	522	526
Towns	245	251	257	260	273	279	286	290	297	298	300
Sq ft ('000s)	1,740	1,700	1,800	1,880	2,010	2,080	2,160	2,250	2,350	2,400	2,440
Watches business											
Revenue growth (%)	14.5	40.0	13.4	31.7	21.1	7.9	14.7	19.1	14.9	19.8	23.8
Store presence											
World of Titan											
No	601	622	636	646	655	665	670	688	700	720	724
Towns	293	306	313	317	319	328	329	334	337	342	344
Sq ft ('000s)	446	443	453	457	459	467	472	483	492	505	507
Fastrack											
No	170	185	188	193	198	218	225	227	228	239	239
Towns	80	85	85	93	91	100	103	106	107	112	111
Sq ft ('000s)	81	87	89	88	95	105	107	109	110	114	113
Helios											
No	182	198	207	212	223	237	242	256	266	276	281
Towns	74	77	78	81	84	88	91	95	97	100	105
Sq ft ('000s)	136	144	151	154	161	175	178	188	196	203	207
Eyewear business											
Revenue growth (%)	11.5	23.1	10.9	12.6	(4.0)	0.6	3.0	6.9	16.2	15.7	12.9
Store presence											
No of outlets	858	896	901	905	905	902	905	908	905	897	878
Towns	354	352	357	358	359	353	351	349	346	339	334

Source: Company, JM Financial

Exhibit 5. Operational performance

	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Sales value growth (%)											
World of Titan	14	18	8	8	7	12	13	15	31	18	20
Tanishq	14	25	22	27	16	19	9	21	28	20	17
Helios	32	45	40	38	36	30	24	43	47	38	33
Fastrack	19	11	(4)	5	(5)	6	15	14	27	20	19
LFS-Watches	20	42	33	15	14	4	5	11	18	14	18
Titan Eye +	14	22	13	9	-	4	8	5	11	10	6
Like to Like growth (%)											
World of Titan	8	11	2	2	7	7	9	11	25	14	15
Tanishq	9	19	22	22	10	14	3	15	22	15	11
Helios	11	21	20	18	20	14	11	28	34	24	22
Fastrack	18	8	(11)	(7)	(13)	(4)	5	5	14	12	12
LFS-Watches	25	37	13	4	12	(8)	(7)	3	16	10	17
Titan Eye +	1	10	3	-	(6)	-	7	3	9	-	-
No of stores (Total Presence)											
Tanishq	411	423	433	443	466	479	491	502	515	522	526
Caratlane	175	222	233	246	262	272	275	286	306	322	331
Mia	93	111	119	145	162	178	197	209	222	234	239
Zoya	6	7	7	8	8	8	11	12	12	12	12
World of Titan	601	622	636	646	655	665	670	688	700	720	724
Helios	182	198	207	212	223	237	242	256	266	276	281
Fastrack	170	185	188	193	198	218	225	227	228	239	239
Titan Eye/Fastrack	863	901	908	913	913	905	908	910	907	898	879
Taneira	36	41	47	51	62	73	77	81	82	81	81

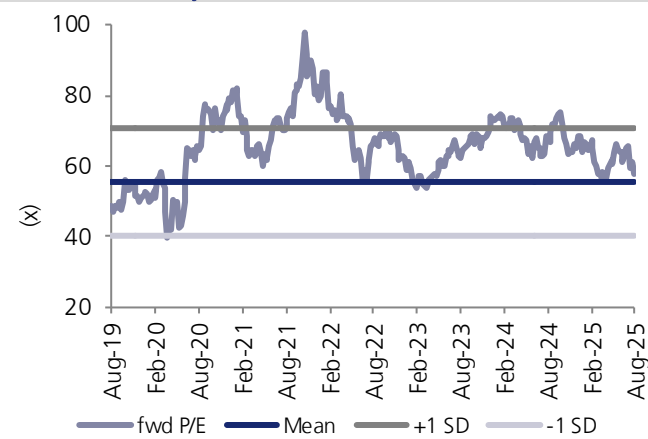
Source: Company, JM Financial

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	616,082	718,207	832,299
Rev growth YoY (%)	3.7	36.3	37.7	22.9	22.8	21.2	16.6	15.9
EBITDA	18,840	32,400	45,950	51,000	52,440	68,385	81,157	95,298
EBITDA growth YoY (%)	(13.9)	72.0	41.8	11.0	2.8	30.4	18.7	17.4
EBITDA margin (%)	10.5	13.2	13.6	12.3	10.3	11.1	11.3	11.5
Total gold sold (tonnes)	26.6	36.8	44.4	47.1	44.4	48.8	54.3	60.3
Change YoY (%)	(16.0)	38.2	20.8	6.1	(5.9)	10.0	11.3	10.9
Average gold price (Rs/gm)	51,178	50,666	55,733	63,536	79,419	98,877	102,832	106,946
Change YoY (%)	32.0	(1.0)	10.0	14.0	25.0	24.5	4.0	4.0
Studded share (%)	26.0	28.5	29.3	28.5	27.0	27.5	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	53,928	61,661	70,114
Rev growth YoY (%)	(39.5)	46.0	42.9	18.7	17.0	17.3	14.3	13.7
EBITDA	(450)	1,960	5,040	5,240	7,050	10,246	9,866	11,394
EBITDA growth YoY (%)	(111.1)	(535.6)	157.1	4.0	34.5	45.3	(3.7)	15.5
EBITDA margin (%)	(2.8)	8.5	15.2	13.3	15.3	19.0	16.0	16.3
Watches sold (mn)	9.9	14.4	16.0	17.6	19.8	22.1	24.1	26.1
Change YoY (%)	(40.0)	45.0	11.0	10.0	12.4	11.7	9.0	8.5
Eyewear								
Net revenues	3,750	5,170	6,890	7,260	8,010	9,048	10,043	11,143
Rev growth YoY (%)	(31.1)	37.9	33.3	5.4	10.3	13.0	11.0	11.0

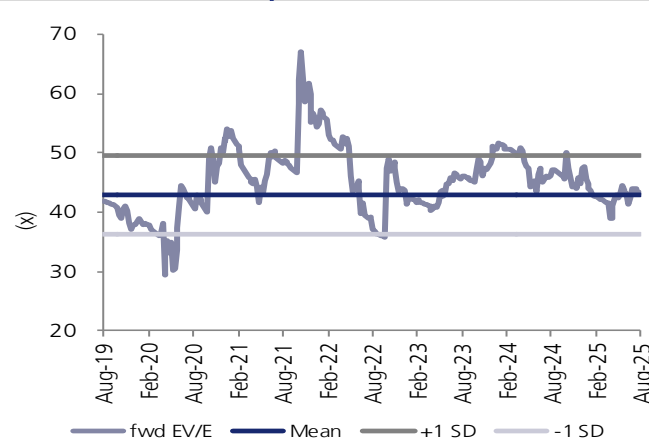
Source: Company, JM Financial

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	6,94,308	8,09,179	9,36,486
Sales Growth	25.9%	18.3%	14.8%	16.5%	15.7%
Other Operating Income	0	0	0	0	0
Total Revenue	5,10,840	6,04,560	6,94,308	8,09,179	9,36,486
Cost of Goods Sold/Op. Exp	3,94,320	4,74,560	5,31,176	6,20,101	7,15,196
Personnel Cost	18,640	21,560	24,413	28,048	31,993
Other Expenses	44,960	51,500	59,840	70,549	82,585
EBITDA	52,920	56,940	78,879	90,481	1,06,713
EBITDA Margin	10.4%	9.4%	11.4%	11.2%	11.4%
EBITDA Growth	8.5%	7.6%	38.5%	14.7%	17.9%
Depn. & Amort.	5,840	6,930	7,613	8,728	9,949
EBIT	47,080	50,010	71,266	81,753	96,764
Other Income	5,330	4,860	4,462	4,387	4,273
Finance Cost	6,190	9,530	10,294	7,449	6,499
PBT before Excep. & Forex	46,220	45,340	65,434	78,691	94,537
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	46,220	45,340	65,434	78,691	94,537
Taxes	11,260	11,980	17,289	20,792	24,979
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	10	10	10	10
Reported Net Profit	34,960	33,370	48,155	57,909	69,568
Adjusted Net Profit	34,960	33,370	48,155	57,909	69,568
Net Margin	6.8%	5.5%	6.9%	7.2%	7.4%
Diluted Share Cap. (mn)	887.8	887.8	887.8	887.8	887.8
Diluted EPS (INR)	39.4	37.6	54.2	65.2	78.4
Diluted EPS Growth	7.6%	-4.5%	44.3%	20.3%	20.1%
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	65,444	78,701	94,547
Depn. & Amort.	5,840	6,930	7,613	8,728	9,949
Net Interest Exp. / Inc. (-)	860	4,670	5,832	3,062	2,227
Inc (-) / Dec in WCap.	-25,360	-52,260	23,285	-24,722	-28,039
Others	1,120	790	100	0	0
Taxes Paid	-11,730	-10,890	-17,289	-20,792	-24,979
Operating Cash Flow	16,950	-5,410	84,984	44,977	53,705
Capex	-6,710	-4,700	-8,332	-9,508	-10,770
Free Cash Flow	10,240	-10,110	76,653	35,469	42,935
Inc (-) / Dec in Investments	2,330	7,280	-10	-10	-10
Others	2,490	2,880	4,462	4,387	4,273
Investing Cash Flow	-1,890	5,460	-3,880	-5,131	-6,507
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	-14,785	-12,167	-11,556
Financing Cash Flow	-13,290	-70	-81,167	-41,004	-45,036
Inc / Dec (-) in Cash	1,770	-20	-62	-1,158	2,162
Opening Cash Balance	13,490	15,860	15,840	15,778	14,620
Closing Cash Balance	15,260	15,840	15,778	14,620	16,782

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	93,930	1,16,240	1,52,853	1,97,445	2,51,033
Share Capital	890	890	890	890	890
Reserves & Surplus	93,040	1,15,350	1,51,963	1,96,555	2,50,143
Lease Liabilities	20,320	23,180	24,604	26,089	27,642
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	2,23,798	2,54,354	2,91,995
Net Fixed Assets	38,060	41,670	48,205	55,188	62,618
Gross Fixed Assets	27,330	30,360	38,692	48,200	58,969
Intangible Assets	4,370	4,450	4,450	4,450	4,450
Less: Depn. & Amort.	9,950	11,810	15,031	19,041	23,933
Capital WIP	16,310	18,670	20,094	21,579	23,132
Investments	23,450	19,880	19,890	19,900	19,910
Current Assets	2,52,120	3,43,220	3,32,379	3,80,245	4,36,464
Inventories	1,90,510	2,81,840	2,66,310	3,09,262	3,56,634
Sundry Debtors	10,180	10,680	12,075	13,851	15,774
Cash & Bank Balances	15,260	15,840	15,778	14,620	16,782
Loans & Advances	23,470	22,610	25,966	30,263	35,024
Other Current Assets	12,700	12,250	12,250	12,250	12,250
Current Liab. & Prov.	1,22,840	1,64,170	1,76,677	2,00,979	2,26,996
Current Liabilities	67,510	97,730	1,00,817	1,13,063	1,25,720
Provisions & Others	55,330	66,440	75,859	87,915	1,01,276
Net Current Assets	1,29,280	1,79,050	1,55,703	1,79,267	2,09,467
Total - Assets	1,90,790	2,40,600	2,23,798	2,54,354	2,91,995

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	6.8%	5.5%	6.9%	7.2%	7.4%
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%	35.8%	33.1%	31.0%

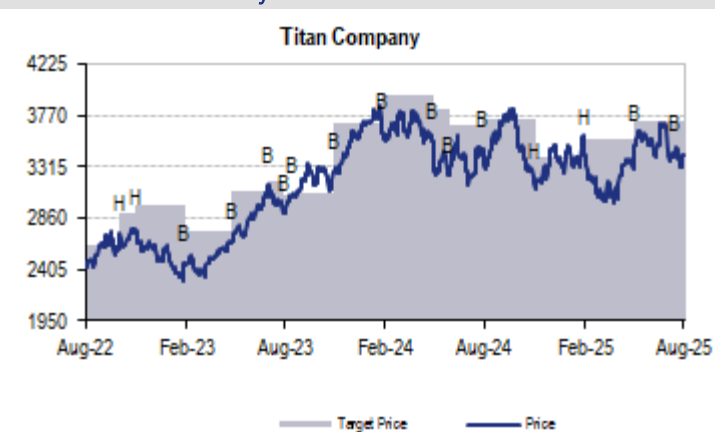
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	105.8	130.9	172.2	222.4	282.8
ROIC	25.0%	20.4%	27.0%	30.0%	30.7%
ROE	32.8%	31.8%	35.8%	33.1%	31.0%
Net Debt/Equity (x)	0.4	0.6	0.1	0.0	-0.1
P/E (x)	86.7	90.9	63.0	52.4	43.6
P/B (x)	32.3	26.1	19.8	15.4	12.1
EV/EBITDA (x)	58.1	54.5	38.6	33.5	28.2
EV/Sales (x)	6.0	5.1	4.4	3.7	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.
28-Oct-21	Hold	1,905	
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
9-May-25	Buy	3,725	4.9
21-Jul-25	Buy	3,725	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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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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