

13 January 2026

India | Equity Research | Company Update

Titan Company

Consumer Staples & Discretionary

Embracing the LGD wave; appears a new growth frontier and not defensive moat

We believe Titan's entry into the lab-grown diamond (LGD) space via beYon appears to be a calibrated strategic move to address the accessible luxury segment, without diluting the equity of Tanishq (note that store is branded as "beYon (from) House of Titan" and not Tanishq). Our store visit in Mumbai and management commentary suggest an aggressive pricing strategy (~30% discount to peers) combined with a prudent inventory model (no backward integration for now). While management downplays cannibalisation risks, in our view, the initial traction from existing natural diamond customers seeking larger diamonds warrants monitoring. We believe beYon may drive new customer growth for Titan. Maintain ADD with a revised target price of **INR 4,500** (vs. INR 4,200 earlier).

Mumbai store visit – ground realities and takeaways

Our visit to the beYon pilot store in Mumbai reveals a strategy focused on high-velocity, lower-ticket items compared to the flagship Tanishq brand. The 'No Exchange' policy on the LGDs is a vital risk mitigant. It shifts the asset depreciation risk of LGDs from Titan's balance sheet to the consumer, positioning the product strictly as a consumption item rather than an asset class.

Takeaways

- Daily store sales of around INR 0.15-0.2mn
- Making charge of ~INR 1,800/gram
- Per carat rate ranges between INR 23k-27k
- Most of the jewellery pieces are priced below INR 100,000
- Diamond quality: All LGDs used are of VS clarity and F-G colour
- No exchange value for LGDs but 100% exchange on the gold component

Strategic rationale – Why beYon?

Management's commentary highlights a two-pronged strategy – capturing the trend/young buyer and expanding the total addressable market for diamonds.

- **Underpenetrated market:** Studded jewellery is currently ~12–13% of the Indian jewellery market (per Titan), while LGDs are ~2–3% of the studded mix, implying large headroom for volume growth.
- **Targeting the impatient buyer:** Younger demographics desire diamond jewellery earlier in their lifecycle. beYon serves as an entry point, potentially funnelling customers to natural diamonds (Tanishq/Zoya) as their purchasing power matures over time.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	5,48,420	6,99,943	8,36,441	9,97,612
EBITDA	58,350	73,641	90,380	1,10,071
EBITDA Margin (%)	10.6	10.5	10.8	11.0
Net Profit	37,391	47,554	59,399	72,945
EPS (Rs)	42.1	53.6	66.9	82.2
EPS % Chg YoY	5.5	27.2	24.9	22.8
P/E (x)	100.5	79.0	63.2	51.5
EV/EBITDA (x)	66.5	53.0	43.2	35.5
RoCE (%)	13.8	14.1	13.9	13.9
RoE (%)	23.9	25.0	24.7	24.1

Manoj Menon

manoj.menon@icicisecurities.com
+91 22 6807 7209

Dhiraj Mistry

dhiraj.mistry@icicisecurities.com

Ashutosh Joytiraditya

ashutosh.joytiraditya@icicisecurities.com

Akshay Krishnan

akshay.krishnan@icicisecurities.com

Market Data

Market Cap (INR)	3,757bn
Market Cap (USD)	41,655mn
Bloomberg Code	TTAN IN
Reuters Code	TITN.BO
52-week Range (INR)	4,312 /2,925
Free Float (%)	46.0
ADTV-3M (mn) (USD)	38.5

Price Performance (%)	3m	6m	12m
Absolute	19.8	25.9	23.0
Relative to Sensex	18.1	24.2	14.6

ESG Score	2024	2025	Change
ESG score	69.4	71.1	1.7
Environment	56.9	58.1	1.2
Social	56.6	64.3	7.7
Governance	84.9	83.1	(1.8)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E	FY28E
------------------------	-------	-------	-------

Revenue	5.4	5.4	5.5
EBITDA	2.8	3.7	3.8
PAT	3.0	3.7	3.8

Previous Reports

06-11-2025: [Q2FY26 results review](#)

09-05-2025: [Q1FY26 results review](#)

- **Disruption via price:** By pricing its products at ~INR 25k per carat (vs. competition at ~INR 30–35k), Titan is leveraging its scale to drive volumes and likely force consolidation among smaller, unorganised LGD players.

Management's operational outlook

Supply chain strategy

Titan has opted to refrain from backward integration (will not manufacture LGDs); which, in our view, is a positive capital allocation decision. LGD manufacturing prices are in a structural downtrend due to global oversupply. Buying stones from the market allows Titan to benefit from falling input costs without capital expenditure risks.

Product mix and cannibalisation

Offerings in 14k, 18k gold, and silver indicate a push for high-frequency fashion purchases. Management asserts no cannibalisation, but store checks and management commentary indicate that existing natural diamond clients are visiting beYon store for larger carat sizes. We believe Titan should continue to maintain the distinction between 'Real is Rare' (natural diamonds) and 'Fashion' (LGDs), else Tanishq's margin-accretive natural diamond sales could face pressure at the entry-level price points.

Store expansion roadmap

On the retail rollout plan, beYon's first store is already operational in Mumbai. Its next store to open probably in Delhi NCR, followed by additional stores in Mumbai and Delhi regions. Management has a near-term target of ~10 stores in these markets. It is working towards an omnichannel play, with the brand's website to soon be operational. We believe the company's measured rollout (~10 stores) plan suggests a 'test-and-learn' phase, rather than a 'land-grab' phase, as it is prioritising unit economics over rapid footprint expansion.

LGD foray, potentially a net positive for Titan

We believe Titan's foray into LGDs will likely be a net positive, as it prevents agile LGD-only startups from stealing the young consumer base. Despite lower ticket sizes, studded jewellery typically commands higher gross margins than plain gold. If volumes scale, beYon could be margin accretive for the company in the medium term. It also demonstrates Titan's agility in adapting to global luxury trends, partly justifying its premium valuation multiples.

Key monitorable: Consumer response of the new brand; pace of store expansion; and validation of 'no cannibalisation' claim in coming quarters.

Valuation and risks

We have revised our EPS estimates for FY26E/27E/28E by 3%/3.7%/3.8% to reflect mainly revenue beat in Q3FY26 and model revenue/EBITDA/PAT CAGRs of 22/24/25 (%) over FY25–28E. Maintain **ADD** with a revised DCF-based target price of **INR 4,500** (vs. INR 4,200 earlier).

Key risks: Irrational competitive environment and sustained weakness or worsening of macro environment leading to demand slowdown.

Exhibit 1: beYon store visit – Mumbai

Source: I-Sec research

Exhibit 2: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	52.9	52.9	52.9
Institutional investors	30.0	30.3	30.2
MFs and other	6.4	6.7	7.8
FIs/ Banks	0.9	0.9	1.1
Insurance Cos.	4.8	5.1	5.1
FII	17.9	17.6	16.2
Others	17.1	16.8	16.9

Source: Bloomberg, I-Sec research

Exhibit 3: Price chart


Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 4: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	5,48,420	6,99,943	8,36,441	9,97,612
Operating Expenses	4,90,070	6,26,302	7,46,061	8,87,542
EBITDA	58,350	73,641	90,380	1,10,071
EBITDA Margin (%)	10.6	10.5	10.8	11.0
Depreciation & Amortization	5,370	6,024	7,060	8,178
EBIT	52,980	67,618	83,320	1,01,893
Interest expenditure	7,670	9,049	9,908	11,565
Other Non-operating Income	4,930	5,177	6,212	7,454
Recurring PBT	44,810	63,745	79,623	97,782
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	11,460	16,191	20,224	24,837
PAT	33,350	47,554	59,399	72,945
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	5,430	-	-	-
Net Income (Reported)	33,350	47,554	59,399	72,945
Net Income (Adjusted)	37,391	47,554	59,399	72,945

Source Company data, I-Sec research

Exhibit 5: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	3,04,440	3,99,542	4,99,898	6,23,622
of which cash & cash eqv.	11,320	25,810	58,181	1,02,103
Total Current Liabilities & Provisions	71,190	90,859	1,08,578	1,29,499
Net Current Assets	2,33,250	3,08,683	3,91,320	4,94,123
Investments	63,860	63,860	63,860	63,860
Net Fixed Assets	15,780	23,408	31,437	38,839
ROU Assets	14,490	14,490	14,490	14,490
Capital Work-in-Progress	860	860	860	860
Total Intangible Assets	-	-	-	-
Long Term Loans & Advances	7,980	7,980	7,980	7,980
Deferred Tax assets	2,100	2,100	2,100	2,100
Total Assets	3,39,560	4,22,621	5,13,287	6,23,492
Liabilities				
Borrowings	1,49,460	1,88,262	2,22,798	2,63,300
Deferred Tax Liability	-	-	-	-
Provisions	2,560	2,816	3,098	3,407
Other Liabilities	19,430	19,430	19,430	19,430
Equity Share Capital	890	890	890	890
Reserves & Surplus	1,67,220	2,11,223	2,67,071	3,36,464
Total Net Worth	1,68,110	2,12,113	2,67,961	3,37,354
Minority Interest	-	-	-	-
Total Liabilities	3,39,560	4,22,621	5,13,287	6,23,492

Source Company data, I-Sec research

Exhibit 6: Quarterly trend

(INR mn, year ending March)

	Dec 24	Mar 25	Jun 25	Sep 25
Net Sales	160,970	134,770	145,640	165,340
% growth (YOY)	23.3	19.7	20.8	25.1
EBITDA	17,630	14,380	16,320	16,200
Margin %	11.0	10.7	11.2	9.8
Other Income	1,310	1,170	1,070	1,090
Extraordinaries	(2,530)	-	-	-
Adjusted Net Profit	11,829	8,700	10,300	10,060

Source Company data, I-Sec research

Exhibit 7: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	25,980	(13,420)	1,939	26,384
Working Capital Changes	(18,730)	(59,810)	(60,687)	(49,984)
Capital Commitments	(9,372)	(8,720)	(13,651)	(15,089)
Free Cashflow	16,608	(22,140)	(11,712)	11,295
Other investing cashflow	(45,540)	900	-	-
Cashflow from Investing Activities	(54,912)	(7,820)	(13,651)	(15,089)
Issue of Share Capital	2	-	-	-
Interest Cost	(4,800)	(7,670)	(9,049)	(9,908)
Inc (Dec) in Borrowings	44,670	41,990	38,802	34,537
Dividend paid	(9,766)	(9,766)	(3,551)	(3,551)
Others	(1,044)	(44)	-	-
Cash flow from Financing Activities	29,062	24,510	26,202	21,077
Chg. in Cash & Bank balance	130	3,270	14,490	32,372
Closing cash & balance	8,050	11,320	25,810	58,181

Source Company data, I-Sec research

Exhibit 8: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	42.1	53.6	66.9	82.2
Adjusted EPS (Diluted)	42.1	53.6	66.9	82.2
Cash EPS	48.2	60.3	74.9	91.4
Dividend per share (DPS)	11.0	4.0	4.0	4.0
Book Value per share (BV)	189.4	238.9	301.8	380.0
Dividend Payout (%)	26.1	7.5	6.0	4.9
Growth (%)				
Net Sales	16.4	27.6	19.5	19.3
EBITDA	16.1	26.2	22.7	21.8
EPS (INR)	5.5	27.2	24.9	22.8
Valuation Ratios (x)				
P/E	100.5	79.0	63.2	51.5
P/CEPS	87.9	70.1	56.5	46.3
P/BV	22.3	17.7	14.0	11.1
EV / EBITDA	66.5	53.0	43.2	35.5
P / Sales	6.9	5.4	4.5	3.8
Dividend Yield (%)	0.3	0.1	0.1	0.1
Operating Ratios				
Gross Profit Margins (%)	21.2	22.0	22.0	22.5
EBITDA Margins (%)	10.6	10.5	10.8	11.0
Effective Tax Rate (%)	25.6	25.4	25.4	25.4
Net Profit Margins (%)	6.8	6.8	7.1	7.3
Net Debt / Equity (x)	0.7	0.7	0.6	0.4
Net Debt / EBITDA (x)	2.1	2.0	1.7	1.3
Fixed Asset Turnover (x)	15.7	16.8	16.0	15.8
Working Capital Days	159	165	158	156
Inventory Turnover Days	176	182	175	174
Receivables Days	7	8	8	8
Payables Days	11	11	11	11
Profitability Ratios				
RoCE (%)	13.8	14.1	13.9	13.9
RoE (%)	23.9	25.0	24.7	24.1
RoIC (%)	20.0	19.2	19.0	19.6

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Manoj Menon, MBA, CMA; Dhiraj Mistry, CMA; Ashutosh Joytiraditya, MBA; Akshay Krishnan, MBA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research. The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions. ([Link](#))

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address :** complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Jeetu Jawrani](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
