

CMP: ₹ 3,982

Target: ₹ 4,715 (18%)

Target Period: 12 months

BUY

December 30, 2025

LGD foray – a thought “beYon”d naturals

About the stock: Titan, incorporated in 1984, is a joint venture between Tata Group and Tamil Nadu Industrial Development Corporation (TIDCO). The company is a leading organised jeweller in India with its trusted brand, Tanishq. It started as a watch company under the brand, Titan, and is the fifth largest integrated own-brand watch manufacturer in the world. It has a retail chain of 3,377 stores across 436 towns with a retail area of 4.9 million sq. ft. for all its brands.

Investment Rationale:

- **Why did Titan launch ‘beYon’ brand in India?**

Titan launched its new store brand ‘beYon’ marking its official foray in the lab grown diamond (LGD) category. Its first store in Mumbai was launched on 29th December, 2025 which will cater to the needs of women’s lifestyle categories beyond watches, perfumes, sarees and handbags along with curated range of LGD jewellery. It will be adding couple of more stores in Mumbai and Delhi.

- **What is the difference between LGD and natural diamonds?**

LGD is priced at 70-80% lower than natural diamonds on per carat basis. A 1.04CT of LGD ring (18KT gold; ~4gm) will cost approx. Rs.89,300 per ring (LGD diamonds price is Rs36,615) while a 1.04CT of natural diamond ring (18KT gold; ~4gm) will cost approx. Rs2,85,500 per ring (natural diamonds price is Rs2,13,400) depending on the cut and no. of diamonds.

- **Who are the potential customers of LGD in India?**

Share of diamond jewellery to overall jewellery industry is around 15% in India. LGD provides a value offering in the diamond jewellery for consumers who wants to have at least one diamond jewellery in their jewellery box. Potential customers for LGD will be Gen Z (53% of India's population) and women's working population (30%+ of India's female population).

- **Will consumer switch from natural diamond to LGD?**

Our interaction with jewellery retailers and B2B jewellery players indicates unlikely shift of consumers from Natural Diamonds to LGD in the coming years. LGD will create its own strata of consumers who are looking for affordable jewellery used for daily purpose or for gifting purpose or more of a fashion attire for Gen Z population. On the other hand, higher income group will indulge in high value discretionary purchases and will continue with their preference towards natural diamond jewellery in the coming years. However, we cannot rule out their trial of LGD jewellery in the coming years.

- **What is our view on Titan's entry to LGD?**

Titan was studying the LGD's market dynamics and emergence of new category for past two years. An entry of large jewellery player like Titan in LGD will bring in more trust in the category. This will help LGD as a category to grow in the long run. According to jewellery players LGD jewellery is less than 1% of the overall jewellery industry sales in India. Studded jewellery constitutes 23% of Titan's jewellery sales, growing in strong double digit. We believe LGD will provide additional lever for Titan's studded mix to improve in the long run.

Rating and Target Price: We expect Titan's revenue and PAT to grow at CAGR of 18% and 23% over FY25-28E. **We recommend Buy with a price target of ₹ 4,715** rolling it over FY28E EPS of ₹ 78.6 valuing at 60x.

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	2 year CAGR (FY23-25)	FY26E	FY27E	FY28E	2 year CAGR (FY25-28E)
Revenues	40575.0	51084.0	60456.0	22.1	74591.2	84776.0	98561.7	17.7
EBIDTA	4879.0	5292.0	6237.0	13.1	7835.7	9080.2	10726.1	19.8
EBIDTA Margins(%)	12.0	10.4	10.3		10.5	10.7	10.9	
Adjusted PAT	3273.0	3495.0	3737.8	6.9	4750.2	5720.7	6997.1	23.2
EPS (Rs.)	36.9	39.3	42.0		53.4	64.3	78.6	
PE (x)	108.0	101.4	94.8		74.6	62.0	50.6	
EV to EBIDTA (x)	73.1	68.7	58.9		46.5	39.8	33.4	
RoE (%)	30.9	32.9	35.6		35.2	32.4	30.8	
RoCE (%)	33.7	28.5	26.1		28.8	31.7	34.5	

Source: Company, ICICI Direct Research



Particulars

Particular	Amount
Market Capitalisation (₹ crore)	354398
Debt (FY25) - ₹ crore	14303
Cash (FY25) - ₹ crore	1584
EV (₹ crore)	367117
52 week H/L (₹)	4030 / 2948
Equity capital (₹ crore)	89.0
Face value (₹)	1

Shareholding pattern

	Dec-24	Mar-25	Jun-25	Sep-25
Promoters	52.9	52.9	52.9	52.9
FII	18.1	17.8	17.5	17.5
DII	11.4	12.0	12.6	12.6
Others	17.6	17.3	17.0	17.0

Price Chart



Key risks

- (i) Sustained inflation in the gold prices.
- (ii) Slowdown in discretionary consumption.
- (iii) Increase in the custom duty on gold.

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Financial summary

Exhibit 1: Profit and loss statement					
(Year-end March)	FY24	FY25	FY26E	FY27E	₹ crore
Total Operating Income	51084.0	60456.0	74591.2	84776.0	98561.7
Growth (%)	25.9	18.3	23.4	13.7	16.3
Raw Material Expenses	39432.0	46913.0	58181.1	65828.6	76533.2
Gross Profit	11652.0	13543.0	16410.1	18947.4	22028.5
Gross Profit Margins (%)	22.8	22.4	22.0	22.4	22.4
Employee Expenses	1864.0	2156.0	2457.8	2703.6	2974.0
Other Expenditure	4496.0	5150.0	6116.5	7163.6	8328.5
Total Operating Expenditure	45792.0	54219.0	66755.4	75695.8	87835.6
EBITDA	5292.0	6237.0	7835.7	9080.2	10726.1
Growth (%)	8.5	17.9	25.6	15.9	18.1
Interest	619.0	953.0	1112.9	1024.8	932.8
Depreciation	584.0	693.0	730.4	790.6	845.0
Other Income	533.0	486.0	461.7	507.9	558.7
PBT	4622.0	5077.0	6454.1	7772.7	9506.9
Less Tax	1127.0	1339.2	1703.9	2052.0	2509.8
Adjusted PAT (before exceptional item)	3495.0	3737.8	4750.2	5720.7	6997.1
Growth (%)	6.8	6.9	27.1	20.4	22.3
Profit from associates	1.0	-1.0	0.0	0.0	0.0
Exceptional item	0.0	-401.8	0.0	0.0	0.0
Reported PAT	3496.0	3335.0	4750.2	5720.7	6997.1
Growth (%)	6.8	-4.6	42.4	20.4	22.3
EPS (Adjusted)	39.3	42.0	53.4	64.3	78.6

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement					
(Year-end March)	FY24	FY25	FY26E	FY27E	₹ crore
Profit/(Loss) after taxation	2962.0	3251.8	4288.5	5212.8	6438.5
Add: Depreciation & Amort.	584.0	693.0	730.4	790.6	845.0
Other income	533.0	486.0	461.7	507.9	558.7
Changes in the working cap.	-3008.0	-5623.0	-2604.4	-1907.6	-2311.1
CF from Operating activities	1071.0	-1192.2	2876.3	4603.7	5531.0
(Purchase)/Sale of Fixed Asset:	-1188.0	-1050.0	-375.0	-375.0	-375.0
Investments & Bank balances	164.0	297.0	1115.0	-400.0	-1300.0
Others	-89.0	13.0	0.0	0.0	0.0
CF from Investing activities	-1113.0	-740.0	740.0	-775.0	-1675.0
(inc)/Dec in Loan	6225.0	3438.0	-3000.0	-2500.0	-2500.0
Change in equity & reserves	-5026.8	-527.8	0.0	0.0	0.0
Dividend paid	-979.0	-979.0	-979.0	-1157.0	-1513.0
Other	0.0	-1.0	0.0	0.0	0.0
CF from Financing activities	219.2	1930.2	-3979.0	-3657.0	-4013.0
Net Cash Flow	177.2	-2.0	-362.7	171.7	-157.0
Cash and Cash Equivalent (opening)	231.8	409.0	407.0	44.3	215.9
Cash	409.0	407.0	44.3	215.9	58.9
Free Cash Flow	2259.0	-142.2	3251.3	4978.7	5906.0

Source: Company, ICICI Direct Research

Exhibit 3: Balance sheet					
(Year-end March)	FY24	FY25	FY26E	FY27E	₹ crore
Equity Capital	89.0	89.0	89.0	89.0	89.0
Reserve and Surplus	9304.0	11535.0	15306.2	19869.9	25354.0
Total Shareholders funds	9393.0	11624.0	15395.2	19958.9	25443.0
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total Debt	10865.0	14303.0	11303.0	8803.0	6303.0
Deferred Tax Liability	3.0	2.0	2.0	2.0	2.0
Total Liabilities	20261.0	25929.0	26700.2	28763.9	31748.0
Gross Block - Fixed Assets	4275.0	4810.0	5265.0	5640.0	6015.0
Accumulated Depreciation	995.0	1181.0	1911.4	2702.1	3547.0
Net Block	3280.0	3629.0	3353.6	2938.0	2468.0
Capital WIP	97.0	105.0	25.0	25.0	25.0
Leased Assets	0.0	0.0	0.0	0.0	0.0
Fixed Assets	3377.0	3734.0	3378.6	2963.0	2493.0
Goodwill & Other intangible assets	429	433	433	433	433
Investments	2345	1988	1000	1250	1250
Inventory	19051.0	28184.0	33719.3	38323.4	44555.3
Debtors	1018.0	1068.0	1317.7	1393.6	1620.2
Other Current Assets	2131.0	2252.0	2364.6	2482.8	2607.0
Loans & Advances	1486.0	1234.0	1258.7	1283.9	1309.5
Cash	409.0	407.0	44.3	215.9	58.9
Bank balance	1117.0	1177.0	1050.0	1200.0	2500.0
Total Current Assets	25212.0	34322.0	39754.5	44899.6	52650.9
Creditors	1410.0	1963.0	2422.0	2322.6	2700.3
Gold on loan	5341.0	7810.0	8981.5	10328.7	11878.0
Provisions	374.0	454.0	454.0	454.0	454.0
Other Current Liabilities	4164.0	4491.0	6178.4	7846.3	10216.5
Total Current Liabilities	11289.0	14718.0	18035.9	20951.7	25248.9
Net Current Assets	13923.0	19604.0	21718.6	23947.9	27402.0
Deferred tax assets	187.0	170.0	170.0	170.0	170.0
Application of Funds	20261.0	25929.0	26700.2	28763.9	31748.0

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios					
(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Per share data (₹)					
Adjusted EPS	39.3	42.0	53.4	64.3	78.6
Cash EPS	45.8	49.8	61.6	73.2	88.1
BV per share	105.5	130.6	173.0	224.3	285.9
Cash per Share	43.5	40.1	23.5	30.0	42.8
Dividend per share	11.0	11.0	11.0	13.0	17.0
Operating Ratios (%)					
Gross Profit Margins	22.8	22.4	22.0	22.4	22.4
EBITDA margins (%)	10.4	10.3	10.5	10.7	10.9
PAT Margins	6.8	5.5	6.4	6.7	7.1
Cash Conversion Cycle (days)	133	165	161	161	161
Asset Turnover	2.5	2.3	2.8	2.9	3.1
Return Ratios (%)					
RoE	32.9	35.6	35.2	32.4	30.8
RoCE	28.5	26.1	28.8	31.7	34.5
Valuation Ratios (x)					
P/E	101.4	94.8	74.6	62.0	50.6
EV / EBITDA	68.7	58.9	46.5	39.8	33.4
EV / Net Sales	7.1	6.1	4.9	4.3	3.6
Market Cap / Sales	6.9	5.9	4.8	4.2	3.6
Price to Book Value	37.7	30.5	23.0	17.8	13.9
Solvency Ratios					
Debt / EBITDA	2.1	2.3	1.4	1.0	0.6
Debt / Equity	1.2	1.2	0.7	0.4	0.2

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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