



SEC 103 / 2020-21

6th January 2021

The General Manager, DCS – CRD
BSE Limited
Corporate Relationship Department
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Rotunda Building, P J Towers
Dalal Street, Fort,
MUMBAI - 400 001
Scrip Code: **500114**

The General Manager, DCS – CRD
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
MUMBAI - 400 051
Symbol: **TITAN**

Dear Sirs,

Sub: Quarterly Update – Q3 FY 2020-21

This is to provide the quarterly update for Q3 of FY 2020-21 as furnished in the attached document.

Thank you.

Yours truly,
For TITAN COMPANY LIMITED

Dinesh Shetty
General Counsel & Company Secretary

Encl. As stated

Titan Company Limited

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www.titancompany.in

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6th January, 2021

Quarterly Update: Q3 FY 20-21

The Company had been expecting a good festive season given the fact that there were signs that customers wanted to feel good by stepping out and shopping after 6 months of being restricted primarily to their homes. Q3 did not disappoint. The Jewellery division has crossed the recovery phase to growth phase and other two large divisions have also moved much closer to the full recovery.

The Company continues to focus on the creation of a combined digital and physical experience by which the customers can discover, engage, and buy products of their choice through the channel of their preference. Brand websites of Tanishq and Titan Eye Plus have added augmented reality for virtual try-out of certain products by customers. Well-being of its store staff and customers continue to be the top priority and the Company is relentlessly maintaining its high safety standards keeping its promise of providing the safest stores in the town.

The Company created an 'International Business Division' last year to bring focus on further exploring and exploiting the opportunities outside India in a calibrated manner. 'Tanishq' opened its first boutique in Dubai during the quarter, which is also its first store outside India, and has got an excellent response from non-resident Indians and other residents in the UAE.

The Company's 'War on waste' program is proceeding very well and the focus on cash generation continues to yield good results.

Titan Commodity Trading Limited has now received approval of admission of Membership as a Trading Member (Stock Broker) on Multi Commodity Exchange of India Ltd. (MCX) along with SEBI approval for the same. The company is setting up its processes and is expected to commence its activities in the very near future.

Jewellery

The jewellery industry saw a resurgence in the festive season along with a pent up demand for wedding jewellery as most of the weddings in H1'21 were deferred.

The Company already announced the 15% growth in the 30-day festive period from Dussera to Diwali. Fortunately, the growth trend was visible even after the festive season ended and the division has recorded close to 15% growth (excluding sale of raw gold of ~INR 334 cr.) in Q3. The quarter also witnessed a well-rounded recovery with improvement in walk-ins and pick up of sale in metros, sub 1-lakh category and studded segment. The studded mix in Q3 improved though still lower than levels seen in the previous year. The division continued to see a significantly higher share of gold coin sales and very good growth in wedding jewellery sales. Ticket size continues to be higher due to higher gold rates and higher share of wedding related products but 100% recovery in buyers (number of invoices) is yet to be seen.

The division is promoting "Rivaah Aashirwaad", through in-store promotions and on Tanishq's website, as a campaign for wedding jewellery for brides of different communities. 'Ekatvam' collection, a confluence of various art forms from around the country, was launched to express and celebrate the thought of "Oneness", a key essence of humanity particularly in these challenging times. In high-value studded, 'Moods of the Earth' collection was launched, for fashion-forward women who love to appreciate the beauty of nature around her.

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Zoya customer experience zones were opened as 'shop-in-shop' in four Tanishq stores to make the brand more accessible for the jewellery customers. The response for this initiative has been very encouraging.

'Mia by Tanishq', the contemporary fine jewellery brand of the division, roped in Mithila Palkar, an actress as its new brand ambassador. In plain jewellery, the division added 24 Tanishq stores on a net basis in the year so far, with the retail space addition being ~104K sq.ft.

Watches & Wearables

The division had a recovery rate of around 88% in Q3, compared to the revenue of the same quarter in last year. The E-commerce channel is leading the recovery with very strong absolute growth of over 30%.

The festive period saw a surge in footfall in the shopping zones and the recovery rate improved in metros in Q3. The recovery rate for all the retail channels had been steadily increasing month on month primarily due to higher consumers walk-ins and also complemented by the selling of multiple products/ higher ticket size product in a single invoice.

Omni-channel capability has been scaled up to ~80% of 'World of Titan' and Fastrack stores.

Sales in the Wearables segment has been very encouraging. Titan launched its latest line of smart watches, TRAQ meant for outdoor sports like running, cycling, swimming and triathlon. TRAQ is a high performance watch with on board GPS, 9 axis accelerometer, trans-reflective display and heart rate monitor to address the needs of the sports enthusiast. The early reviews for the watch have been very encouraging.

Brand Titan launched two premium collections for the festive season. Titan Grandmaster, a collection inspired by the world of Chess for gents and 'Raga Moments of Joy' for women. Both the collections were aimed at further strengthening offerings in the above 10K price band.

Fastrack launched 4 major collections in the period Q3 highly inspired by the current trend - Animal print collection, Bare Basics 2020, Tees lockdown and Trendies 3.0.

In the year so far, the division added 6 Helios store and closed 14 Fastrack stores, on a net basis, reducing ~7K sq. ft. of retail space.

Eye Wear

The division had a recovery of ~92% in Q3, compared to the revenue of the same quarter in last year.

'Eco lite' stores requiring lower investment and improving the profitability of the franchisees were introduced during the quarter.

'Titan Crest', a IndiFit collection crafted for Indian faces, which is made-in-India and made-for-India was launched. 'Titan Ace – Limitless collection' of rimless frames was another offering by the division.

A range of spectacles (frames + lenses) under the 'Titan Ace' and Fastrack brands was launched at an attractive price point of INR 999 onwards for the value conscious customers.

To address the eyestrain problem resulting from increased screen time, spectacles were launched with anti-reflective and blue-light filter at starting price of INR 999 for kids and adults, under 'Dash' and 'Fastrack' brands respectively.



In the year so far, the division added 39 stores and closed 52 stores, reducing 13 stores on a net basis, ending up with a reduction of about 10K sq. feet of retail space.

Other Businesses

Other businesses had a revenue recovery of around 80%, compared to the revenue of same quarter in last year.

'Taneira' opened another store in Mumbai during the quarter gone by, taking the total store count for the business to fourteen covering six cities. The brand launched EIRA collection i.e. a range of stitched kurta sets in Q3'21. Taneira increased its online presence through listing of the products on marketplace platforms viz Myntra and Nykaa Fashion.

The recovery rate for Fragrances and accessories continued to be muted due to the slow recovery of two of the biggest channels, trade and LFS.

Subsidiaries

Titan Engineering and Automation Limited (100% owned)

TEAL had a decline of ~31% in Q3, with one large order currently in transit. The Automation Business has been doing well, on the back of Medical Devices order for detecting TB and Covid-19. The Aerospace Business continues to face headwinds due to the grounding of flights due to Covid-19.

The Division's focus on costs and capital employed is yielding results.

CaratLane (72.3% owned)

CaratLane delivered a growth of ~39% for the quarter and the growth turned positive on a cumulative basis for the year. This growth was driven by a strong Diwali plan and pick-up in consumer sentiment during the season. While online demand had remained strong from Q2, retail stores also saw a huge pick up from mid-October once the festive season kicked in. Next day delivery was also initiated enabling faster delivery to customers in the metro cities.

Sholapith, inspired by the iconic craft from West Bengal, was the key collection launch for the season and was very well received across India. During the quarter, CaratLane launched 11 new stores, including its 100th store that opened in Bandra, Mumbai.

For Titan Company Limited,

(Subramaniam S)

Chief Financial Officer

Titan Company Limited

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