



SEC 040 / 2021-22

6th July 2021

The General Manager, DCS – CRD
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
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 – Q1 FY 2021-22

This is to provide the quarterly update for Q1 of FY 2021-22 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

'INTEGRITY' No.193, Veerasandra, Electronics City P.O Off Hosur Main Road, Bengaluru - 560 100 India, Tel : 91 80 - 67047000, Fax : 91 80 - 67046262
Registered Office No.3, SIPCOT Industrial Complex Hosur 635 126 TN India, Tel 91 4344 664 199, Fax 91 4344 276037, CIN: L74999TZ1984PLC001456
www.titancompany.in

A **TATA** Enterprise



6th July 2021

Quarterly Update: Q1 FY 22

The Company entered the quarter with a good sales momentum. The sales were hit only to a small extent until third week of April, from the rapidly rising second wave of pandemic, primarily due to the temporary store closures in some important states. Thereafter, most stores were shut within a short span of time and could re-open gradually in June only, with several restrictions on operating hours and days of the week. Sale from stores that stayed open in May was muted. The Company's focus was back on keeping everyone safe and few stores were proactively closed in the highly impacted towns. The initiative of customer outreach that brought in sales last year was also not undertaken this time considering that humanitarian impact on consumers was severe and widespread this time. The sales recovery is gradually improving across the businesses, along with the increase in the store operational days. This year, Watches & Wearables and Eyewear segments have also witnessed rapid recovery in walk-ins with the re-opening of stores, which was seen in only Jewellery division last year. The Company recorded revenue growth of ~117% (excluding bullion sales) in Q1'22, with revenue contribution of approx. 50%, 10% and 40% coming from April, May and June months respectively.

The Company has been driving vaccination campaigns as the top priority and almost all the store staff and employees got at least their first dose, which is an important step towards bringing back the normalcy.

TCL North America Inc. and TEAL USA Inc. were incorporated as a wholly owned subsidiary, of Titan Company and TEAL respectively, in the month of April 21 with the objective of carrying on the business of jewelry retailing and business development for Aerospace & Automation Solutions respectively. Titan Commodity Trading Limited has started the operations during the quarter for the hedging of the Gold.

Jewellery

For the quarter ended on 30th June, the division grew by ~107% (excluding bullion sales), compared to last year, primarily due to zero sales in April of last year. Most of the sales of May month was lost in both the years. Despite the lower number of store operational days in the month of June '21 (since large states of Tamil Nadu and Karnataka markets were under lockdown for almost all of June'21), sale for June'21 is marginally ahead of the sale in June'20. Total store operational days were at 73%, 10% and 58% for the April, May and June month respectively and 47% for the quarter.

The division is gaining good traction in new customers and its mix in total buyers has reached the pre-pandemic levels. Golden Harvest fresh enrolments, while adversely impacted due to the lockdowns, still showed a growth over last year same period and refund requests have been quite low and comparable to pre-pandemic levels.

90%+ of stores are now open. Amongst these, around a third are shut on weekends, in line with local restrictions. 96% of staff is vaccinated across all stores (including housekeeping & security), while 100% of open stores have only staff vaccinated with one dose or have recently recovered from Covid and not yet due for vaccination.

The government has started the phased implementation of mandatory hallmarking of gold jewellery with effect from June 16, 2021, which is an important step for the development of the industry and

Titan Company Limited

"INTEGRITY", No. 193, Veerasandra, Electronics City P.O, Off Hosur Main Road, Bangalore 560100, India, Tel 91-080-67047000, Fax-91 80-67046262
Registered Office-No. 3 SIPCOT Industrial Complex Hosur 635 126 TN India, Tel 91 4344664 199, Fax 91 4344 276037, CIN; L74999TZ1984PLC001456
www.titan.co.in



safeguarding the consumer's interest. All of our stores have the hallmarking license and 100% of Tanishq, Mia, Zoya jewellery is hallmarked.

Mia launched 'Smolitaire' and 'Romani' collections during the quarter. Zoya has launched 'Samave' collection towards the end of June.

Network expansion plans got delayed due to the lockdowns. The division added 5 Tanishq stores on a net basis in the quarter, with the retail space addition being ~20K sq. ft.

Watches & Wearables

The division grew by ~280% over Q1'21 as sales were nil in April month of last year and moreover the recovery this year has been faster than that witnessed last year when footfalls in stores were very weak due to higher apprehension of covid. Total store operational days were at 70%, 24% and 51% for the April, May and June month respectively. Safety protocols in stores including the vaccination of staff has been appreciated by the customers on social media and store reviews.

Sales were strong in the E-commerce channel especially in the second half of April and May. Omnisales have been gaining traction along with the brand websites generating customer leads. North & West regions had recovered earlier, following the pattern of the pandemic wave in the country. Recovery in higher ticket products is much better compared to the recovery in lower priced products. Like last year, the recovery in smaller towns was better than the top 8 metros.

'Edge Ceramics' and 'Raga Viva IV' collections were launched for women under the Titan brand. Fastrack launched 'Stunners 1.0' and 'Wear Your Look' collections. Sonata launched 'Sleek', a series of contemporary workwear watches for men in a sleek and minimal form factor, which further entrenched Sonata as the brand of choice for the trend-seeking, value-conscious consumer.

In Q1, the division closed 2 stores of WOT & Fastrack each and opened 3 Helios stores, on a net basis, reducing 5K sq. ft. of retail space.

Eye Wear

The division grew by ~117% over Q1'21 as sales were nil in April month of last year and also on back of rapid recovery in walk-ins in May and June months, compared to last year. Total store operational days were at 71%, 19% and 62% for the April, May and June month respectively. 90%+ of stores are now open.

The division accelerated its path on e-commerce and launched Titan Eyeplus's App. It also launched Neo Progressive lens and computer glasses, exclusively for E-commerce channel.

During the quarter, the division added 6 stores on a net basis, with addition of about 1.5 K sq. feet of retail space.

Other Businesses

Taneira

11 out of 14 existing Taneira stores reopened post lockdown following various local guidelines w.r.t. store timings, weekend lockdown, staff capacity, etc. On an average, Taneira stores were operational for about 30% of the total store days, in the quarter gone by. Brand started the quarter with campaigns



around regional festivals, which shifted towards digital marketing and marketplace activities as the quarter progressed.

Fragrances & Accessories business in Q1 had a slow recovery, however grew by 3 times over the last year. Sales are recovering with second fortnight of June being better than the first. E-commerce channels recovered almost fully and grew 2.5 times over the last year.

Being highly discretionary, all categories got impacted due to low opportunities to step out of home for work, social gatherings or for attending schools & colleges. Fragrances recovery was relatively much better.

Brand Skinn launched Tales, a new collection celebrating “Happiness” where every fragrance is reminiscent of happy memories. This in continuation of Skinn Escapade launched earlier which created a world away in “Wild” for men seeking solo time with Nature.

Subsidiaries

Titan Engineering and Automation Limited (100% owned)

TEAL had a revenue decline of 15% in Q1. The business is seeing a strong comeback in the Automation Solutions Business over the last few months and the enquiries are very encouraging. With respect to the Aerospace & Defence Business, the business is seeing some signs of growth in the single aisle aircraft segment but it appears that the long haul segment will take more time to recover.

CaratLane (72.3% owned)

CaratLane grew by ~274% over Q1'21. Total store operational days were 41% for the quarter. Online continued to see strong growth momentum, growing at 210% for the quarter driven by strong domestic and international demand as well as demand coming from Shaya and CaratLane Live, the video assistance feature. During the quarter, CaratLane launched Kanak, its core collection for Akshaya Tritiya, inspired by the golden swaying fields of wheat. 100% of CaratLane jewellery is hallmarked. CaratLane opened 4 new stores during the quarter taking the total store count to 121.

The revenue growth numbers and other details provided in this note are subject to limited review by the statutory auditors of the Company.

for Titan Company Limited,

Ashok Sonthalia
Chief Financial Officer